



LANE TRANSIT DISTRICT

EUGENE, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2023 and 2022

Prepared by the Finance Department
Pamela Strutz, Director of Finance



Annual Comprehensive Financial Report

Lane Transit District
Eugene, Oregon

For Fiscal Years Ended June 30, 2023 and 2022

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Introductory

Letter of Transmittal

Board of Directors & Map

Organization Chart

GFOA Certificate of Achievement

February 19, 2024

To the Citizens of Lane County, Oregon and the Board of Directors of the
Lane Transit District
Eugene, Oregon

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, 2023.

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

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

The District’s financial statements were audited by Eide Bailly 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, 2023, 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, 2023, 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 325,700 with a fleet of 100 buses in revenue service operating on 30 routes. Comparative Operating Characteristics for fiscal year 2022 and fiscal year 2023 are provided below:

LTD Comparative Operating Characteristics		
	Fiscal year end June 30, 2022	Fiscal year ended June 30, 2023
Annual Miles Travelled (Millions)	2.8	2.8
Revenue Hours Operated	228,285	229,996
Passenger Boardings (Millions)	5	6

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

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

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

The District was empowered by the state legislature, under Oregon Revised Statutes 267, to impose an excise tax on every employer on the wages paid with respect to employment of individuals. The same authority permits the District to levy an equal tax on self-employed individuals. The allowable rate has been gradually increased by amendment to the statute and the authority of the District's Board of Directors. Per LTD Ordinances 50 and 51, the payroll and self-employment taxes for calendar year 2022 were seventy-seven one hundredths of one percent (.77%) and for calendar year 2023 were seventy-eight one hundredths of one percent (.78%).

In 2017, the state legislature passed House Bill 2017 (HB 2017). Section 122 of HB 2017 known as "Keep Oregon Moving" established funding intended to support improvements in public transportation in Oregon to help build vibrant economies with good jobs, increased quality of life, clean environment, and safe and healthy people. The fund provides a dedicated statewide resource for transit and is funded by an employee payroll tax of one-tenth of one percent. In FY2023, the District has budgeted \$6.6 million for new mobility programs and continuing previously funded programs, including the Florence Rhody Express, Oakridge Diamond Express, and Cottage Grove Connector Mobility on Demand services. Other programs include:

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

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

Factors Affecting Financial Condition

Local Economy

LTD serves the Eugene-Springfield metropolitan area. Lane Transit District's boundaries fall entirely within Lane County and encompasses 482 square miles serving a population base of approximately 325,700. In June 2023, total nonfarm employment in Lane County was 164,200 compared to 160,200 in June 2022, which is a 2.5% increase over the prior year.

Eugene/Springfield MSA (Lane County) Economic Data

	June 2019	June 2020	June 2021	June 2022	June 2023
Civilian labor force	181,479	180,444	181,991	183,638	178,609
Unemployment	7,854	19,481	10,271	7,907	7,161
Unemployment rate	4.3%	10.8%	5.6%	4.3%	4.0%
Total employment	173,825	160,963	171,720	175,731	171,448
Total nonfarm employment	165,900	146,500	156,800	160,200	164,200
Percent annual change	0.5%	-11.7%	7.0%	2.2%	2.5%

The unemployment rate decreased to 4 percent as of June 2023. Lane county has regained the majority of jobs lost in March and April of 2020. This represents a recovery of more than 98 percent of the jobs lost during the pandemic. The June 2023 unemployment rate was 6.8 percentage points lower than for June 2020.

Relevant Financial Policies

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

Long-Range Financial Plan

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

Major assumptions for the LRFP include the following:

- Passenger fare revenue is forecasted to increase commensurate with returning service levels. We assume no major changes to our ongoing fare programs for students and low- income riders. Fare revenue is therefore projected to recover to roughly 70% of pre- pandemic levels by FY2025.

- Payroll-type taxes which include payroll, self-employment and government employee payroll taxes have continued to exceed pre-pandemic levels in FY2023 at \$52 million. FY2024 is conservatively forecasted to be slightly more than FY2023. The following-fiscal years growth is in alignment with tax receipt projections from the Oregon State Office of Economic Forecasting. This forecast projects FY24 growth of 3.4 percent.
- Federal assistance will continue to bridge the near-term expenditure-revenue gap resulting from higher costs to operate coupled with lower revenues.

Major Initiatives

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

- The Eugene Station which is the central point of our hub and spoke transit system is 25- years old. This station will be modernized to benefit existing riders, attract new riders, and enhance the quality of life around this centrally located station at the heart of downtown Eugene.
- The core of our daily operations is our computer-aided dispatch/automatic system. Our antiquated system does not seamlessly interact with other operational software. By upgrading this system we will reduce service disruptions and be able to provide our riders real-time vehicle location information that feeds directly into Google maps, our LTD website and the UMO mobility application. The modernized system will also include on-board video surveillance to increase driver and rider safety.
- EMX is short for Emerald Express, which is the District's bus rapid transit system, also known as a BRT system. A BRT system provides the speed, reliability, and frequency of light rail with the flexibility and simplicity of a bus at one quarter of the cost. The District's BRT system comprises 35% - 45% of our ridership which is the highest ridership within our system. This makes it an important part of the greenhouse gas emission solution as it provides a competitive, reliable alternative to a private vehicle. We will continue to invest in this critical service to improve safety, coverage, and frequency.
- The District's Operation Command Control Center (OCC) is located on the Glenwood campus and was constructed 34 years ago. The OCC upgrade will allow for bus operations service supervision, incident response and bus dispatchers to communicate with bus operators and public safety officers despite service disruptions, traffic, construction, emergencies, and mechanical failures. The upgrade will also improve heating, ventilation, and air conditioning systems to mitigate the spread of contamination. Lastly, the upgrade includes installation of a training simulator which will reduce training costs, improve everyday operations and increase employee development.

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the year ended June 30, 2022. 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, 2023, and therefore, the District will again be submitting its current Annual Comprehensive Financial Report to that body for consideration for a Certificate of Achievement. To that end, we will advise the Board of the results of the GFOA's review of our report.

Acknowledgments

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



Jameson Auten
Chief Executive Officer

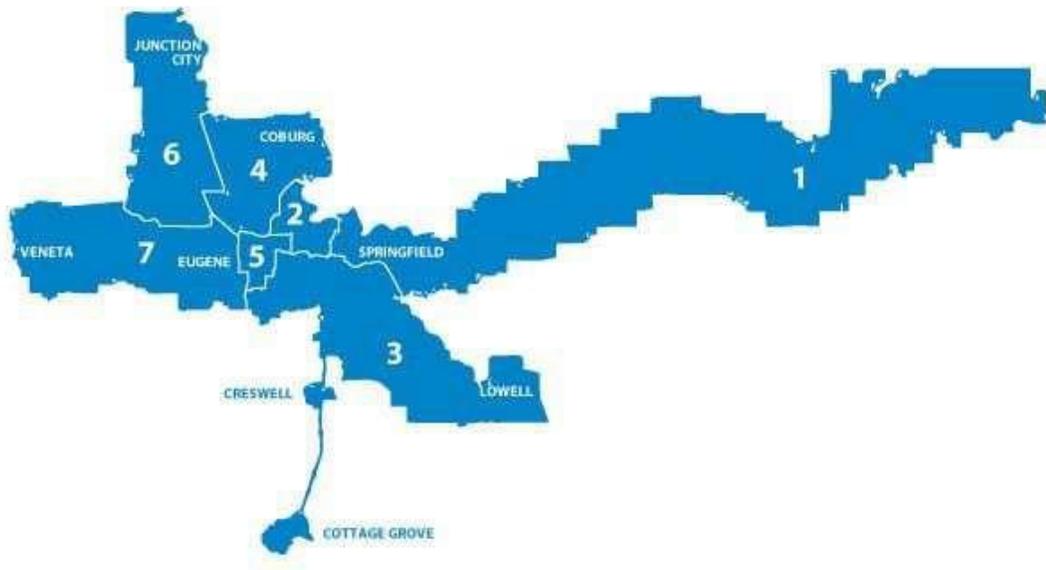


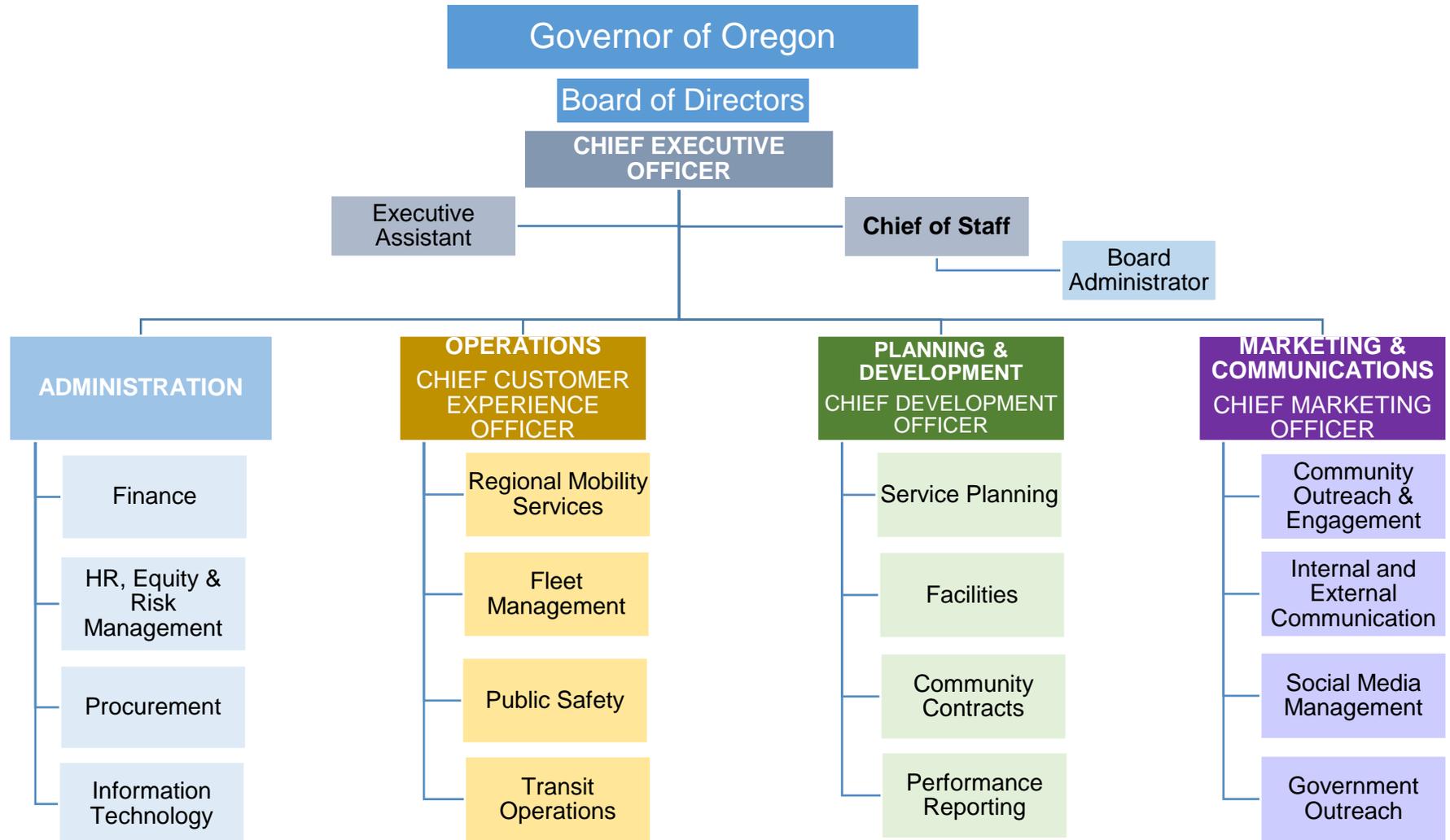
Pamela Strutz
Director of Finance

LTD Board of Directors

(Four-year Terms)

	<u>Sub-District</u>	<u>Term Expiration</u>
Gino Grimaldi, President	1	12/31/25
Michelle Webber	2	12/31/24
Heather Murphy	3	12/31/26
Kelly Sutherland, Treasurer	4	12/31/26
Pete Knox, Secretary	5	12/31/25
Lawrence Green	6	12/31/26
Susan Cox, Vice President	7	12/31/24







Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Lane Transit District
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements:

- Statement of Net Position
- Statement of Revenue, Expenses, and Changes in Net Position
- Statement of Cash Flows
- Notes to the Financial Statements

Required Supplementary Information

- Schedule of Changes in Total OPEB Liability and Related Ratios
- Schedule of OPEB Contributions
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Pension Contributions

Supplementary Information

- Schedule of Revenues, Expenses, Capital Outlay and Long-Term Debt Payment Comparison of Budget to Actual (Budgetary Basis)

Notes to Supplementary Information



Independent Auditor's Report

To the Board of Directors of the
Lane Transit District
Eugene, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of Lane Transit District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Restatement of Prior Year Financial Statements

The financial statements of the District for the year ended June 30, 2022, were audited by other auditors, whose report dated December 20, 2022, contained an unmodified opinion on those statements.

As discussed in Note 11 to the financial statements, the June 30, 2022, business-type activities financial statements have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

As part of our audit of the June 30, 2023, financial statements, we also audited the adjustments described in Note 11 that were applied to restate the June 30, 2022, business-type activities financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2022, financial statements of the District other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2022, financial statements as a whole.

Adoption of a New Accounting Standard

As discussed in Note 11 to the financial statements, the District has adopted the provisions of Governmental Accounting Standards Board Statement No. 96 *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), which has resulted in a restatement of the business-type activities net position as of July 1, 2021. In accordance with GASB Statement No. 96, the financial statements as of and for the year then ended June 30, 2022, have been restated to reflect this change. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated February 19, 2024, on our consideration of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Ahmad Gharaibeh, Partner
For Eide Bailly LLP
Menlo Park, California
February 19, 2024



Management's Discussion and Analysis
June 30, 2023

Lane Transit District

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, 2023, 2022 and 2021. 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 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 20-55 of this report.

**Condensed Statements of Net Position
(in thousands)**

June 30,	2023	2022	2021
Assets			
Current assets	\$ 112,915	\$ 85,391	\$ 54,248
Capital assets, net of depreciation	163,281	155,045	165,243
Total Assets	276,196	240,436	219,491
Deferred Outflows of Resources	9,769	7,550	7,613
Liabilities			
Current liabilities	32,289	21,756	14,996
Noncurrent liabilities	39,713	34,140	32,584
Total Liabilities	72,002	55,896	47,580
Deferred Inflows of Resources	4,120	6,206	8,116
Net Position			
Net investment in capital assets	162,006	154,405	165,243
Restricted	12,752	4,023	11,553
Unrestricted	35,086	27,458	(5,388)
Total Net Position	\$ 209,844	\$ 185,886	\$ 171,408

Fiscal Year Ended June 30, 2023

The District's total assets increased \$35.8 million. The portion of current assets that is cash or convertible to cash increased \$27.5 million. Restricted cash increased \$13.7 million due to statewide transportation improvement fund programs that have been on hold during the pandemic. Grants receivable increased \$4.1 million due increase in federal grant funding related to our recent acquisition of revenue vehicles. In the current fiscal year, federal and state grant reimbursements totaled \$42.3 million.

The net book value of capital assets increased \$8.2 million. This change in net value is the result from new capital asset acquisitions net of accumulated depreciation. Capital asset additions totaled \$25.4 million. Additions included building and station improvements of \$2.3 million, fleet additions of \$17 million, and other equipment and technology for \$1.6 million. Construction-in-progress increased \$3.1 million due to several improvement projects in process at the Glenwood and Eugene Station locations. Disposed items totaled \$.6M and included 7 vehicles, and various equipment items.

The District's current liabilities increased \$10.5 million from \$21.8 million to \$32.3 million. This is largely attributable to a \$8.1 million increase in accounts payable and \$3.1 million increase in unearned revenue from the Statewide Transportation Improvement Fund (STIF). The first distributions of STIF funds for the program period ending in FY23 were received in FY22. A number of planned service expansion programs have been delayed as a result of COVID-19.

Noncurrent liabilities increased \$5.6 million. This is due to an increase in the ATU Plan net pension liability of \$7.4 million, and a decrease in the Salaried Plan net pension liability of \$1.3 million. The combined increase was partially offset by a decrease to the Total OPEB obligation of \$1.5 million. The Salaried Plan pension liability decrease was due to return on investments during their respective fiscal year ended June 30, 2023 while the increase in the ATU pension liability was due to negative returns occurring in their respective fiscal year ended December 31, 2022.

The Total OPEB obligation decrease of \$1.5 million is due to an increase in the discount rate, combined with economic and demographic changes such as the repeal of the ACA Cadillac tax on high-cost health plans.

The net position of the District increased \$23.9 million from \$185.9 million to \$209.9 million. Of the \$209.9 million, \$162.0 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.

Fiscal Year Ended June 30, 2022

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

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

The District's total liabilities increased \$7.7 million from \$47.6 million to \$55.3 million. This is largely attributable to changes in current liabilities, which increased primarily due to a \$5.5 million increase in unearned revenue from the Statewide Transportation Improvement Fund (STIF). The first distributions of STIF funds for the program period ending in FY23 were received in FY22. A number of planned service expansion programs have been delayed as a result of COVID-19.

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

The net OPEB obligation decrease of \$0.6 million is due to a crease in the discount rate from 0 percent to 2 16 percent, combined with economic and demographic changes such as the repeal of the ACA Cadillac tax on high-cost health plans.

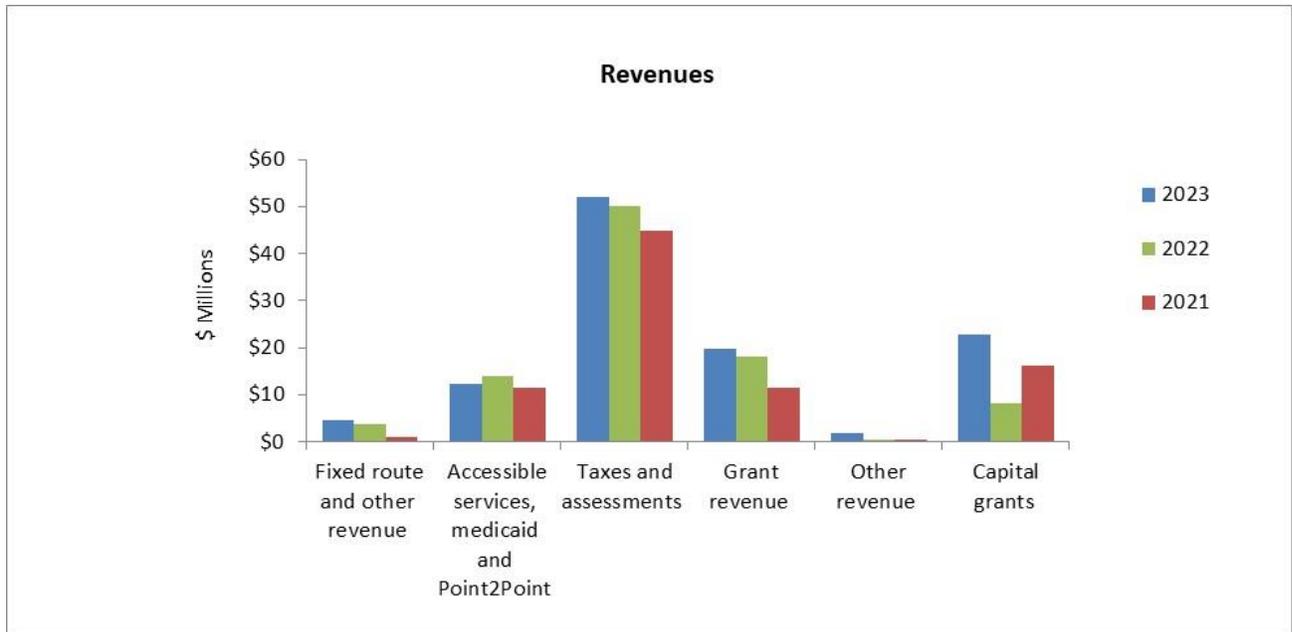
The net position of the District increased \$14.4 million (8.4 percent) in FY22, from \$171.4 million to \$185.8 million. Of the \$185.8 million, \$154.3 million is invested in capital assets and the remaining balance is unrestricted, or restricted for use in the Statewide Transportation Improvement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

**Condensed Statements of Changes in Net Position
(in thousands)**

Fiscal years ended June 30,	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenues			
Transportation and other fixed route revenue	\$ 4,712	\$ 3,830	\$ 1,052
Accessible services, medicaid and Point2Point	12,163	13,979	11,579
Operating Expenses	<u>(72,013)</u>	<u>(64,442)</u>	<u>(56,220)</u>
Operating loss before depreciation	(55,138)	(46,633)	(43,589)
Depreciation	<u>(17,156)</u>	<u>(15,564)</u>	<u>(15,727)</u>
Operating loss	<u>(72,294)</u>	<u>(62,197)</u>	<u>(59,316)</u>
Nonoperating Revenues			
Taxes and assessments	51,977	50,018	44,874
Grant revenue	19,666	17,975	11,643
Investment income	1,574	379	154
Other income, net	<u>342</u>	<u>95</u>	<u>214</u>
Total Nonoperating revenues	<u>73,559</u>	<u>68,467</u>	<u>56,885</u>
Net gain before capital contributions	1,265	6,270	(2,431)
Capital Contributions	<u>22,693</u>	<u>8,116</u>	<u>16,288</u>
Change in Net Position	23,958	14,386	13,857
Net Position - Beginning of Year, Previously Stated	185,886	171,408	157,551
Restatement - Change in accounting principle	-	92	-
Net Position - Beginning of Year, as Restated	<u>185,886</u>	<u>171,500</u>	<u>157,551</u>
Net Position - End of Year	<u>\$ 209,844</u>	<u>\$ 185,886</u>	<u>\$ 171,408</u>

Fiscal Year Ended June 30, 2023

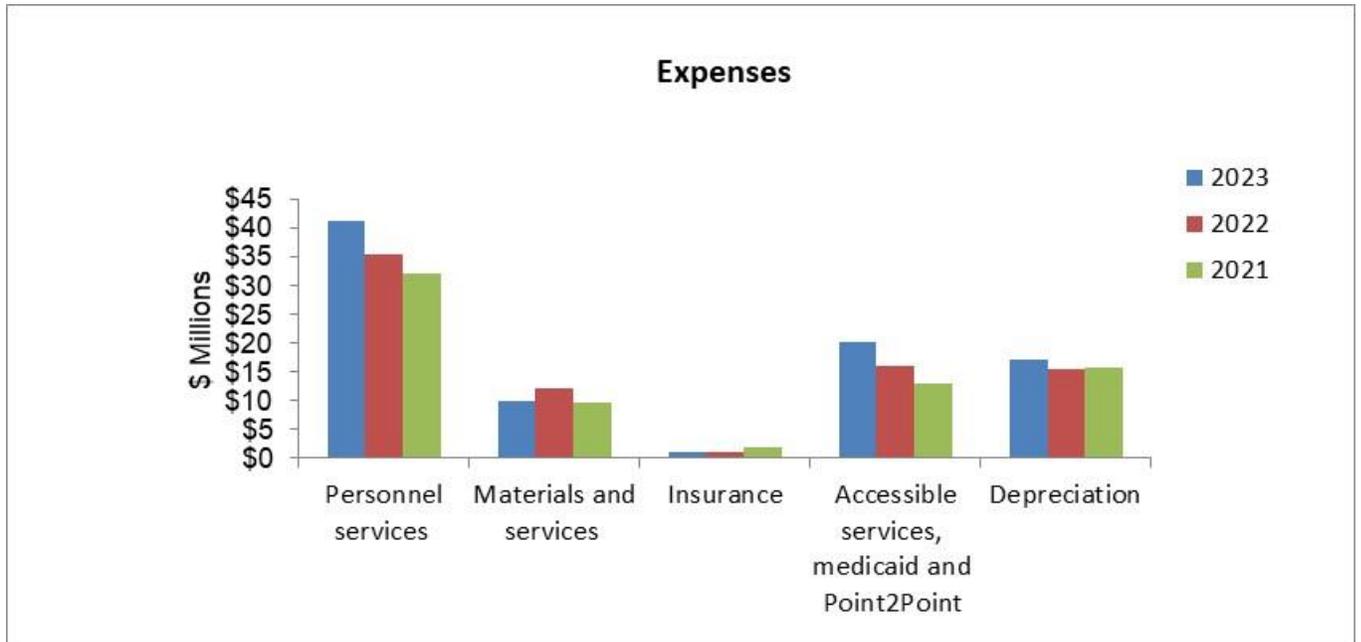
The District’s Change in net position was \$23.9 million in the current fiscal year compared to \$14.3 million in prior fiscal year ended June 30, 2022. Total revenues and capital contributions were up \$18.8 million, accompanied by an increase in total expenses of \$10.1 million.



Operating revenues of \$16.9 million reflects a decrease of 5.2 percent in fiscal year 2023. This decrease was due to a decrease in accessible service, Medicaid and Point2Point revenues.

Non-operating revenues of \$73.6 million were up 7.4 percent in fiscal year ended June 30, 2023. The increase in non-operating revenues was due to increases in grant revenue of \$1.7 million and employer paid payroll-type tax revenues of \$2.0 million. The employer paid payroll tax increase is due to a fast pandemic recovery, temporary COVID-19 related spikes in employment from vaccine testing sites and other health care and social assistance providers as well as increased economic activity in the run up to the world athletic championships. Grant revenues are from the Federal Coronavirus Aid Relief and grant completions that were delayed due to the pandemic.

Since March of 2022, the Federal government has been tightening financial conditions to get inflation under control including increasing the Federal Funds rate 6 times between March and November of 2022 which resulted in increases in our Oregon local government investment pool interest rates. Interest increased as interest rates began to recover. As of June 2023, the interest rate is 4.05 percent compared to June 2022 at 1.15 percent.



Operating expenses, including depreciation of \$89.2 million was up 11.5 percent in fiscal year ended June 30, 2023. The largest increases were in personnel services, materials & services, and Specialized Services and Medicaid non-emergency medical transportation expenses.

Personnel services at \$40.4 million was up \$4.8 million due to continued recovery from COVID-related staff reductions and: 1) increases in medical premiums of 7 percent, 2) contractual ATU wage increases of 7 percent on February 10, 2023 and 3) average administrative employee wage increases of 3.4 percent.

Materials and service decreases totaled \$1.3 million as a result of 1) less COVID-19 related expenses and 2) fewer contracted services as position gaps in HR and Administration were filled.

Insurance increased \$0.1 million from rising property and liability insurance premiums.

Increases in Specialized Services, Point2point, and Medicaid of \$4.0 million were primarily driven by continuing increases in transportation service costs as a result of rising administrative costs, variable trip costs from regulatory changes, as well as inflation. The remaining increase was from resuming STIF projects that had been delayed due to the pandemic.

Depreciation increased \$1.6 million due to new capital asset acquisitions. A number of fixed route and accessible service vehicles that had reached the end of their useful life were disposed of in the prior year. Delivery of the replacement vehicles was delayed to this year due to difficulty in obtaining parts.

Capital contributions reflect funds received from federal, state, and local sources for use in capital projects. This component of the change in net position can vary significantly from year to year depending on the number and type of capital projects undertaken. The increase in capital contributions by \$14.6 million is primarily related to acquisition of new revenue vehicles.

Capital Assets

At June 30, 2023, the District had invested \$163.3 million, net of accumulated depreciation, in a variety of capital assets.

	Capital Assets, net of depreciation						
	(in thousands)						
	District Total			Increase	Percentage	Increase	Percentage
	2023	2022	2021	(decrease)	Change	(decrease)	Change
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2022-2023</u>	<u>2022-2023</u>	<u>2021-2022</u>	<u>2021-2022</u>
Land	\$ 17,476	\$ 17,476	\$ 17,647	\$ -	0.0%	\$ (171)	-1.0%
Freestanding public art	367	367	367	-	0.0%	-	0.0%
Construction in progress	4,852	2,279	728	2,573	112.9%	1,551	213.0%
Busways	70,521	76,967	83,513	(6,446)	-8.4%	(6,546)	-7.8%
Rolling stock and related equipment	39,836	27,993	31,460	11,843	42.3%	(3,467)	-11.0%
Stations, shelters, and bus signs	11,825	12,447	13,157	(622)	-5.0%	(710)	-5.4%
Buildings and improvements	12,657	12,928	14,281	(271)	-2.1%	(1,353)	-9.5%
Accessible Services vehicles	1,839	2,384	2,521	(545)	-22.9%	(137)	-5.4%
Right to use subscriptions/leases	1,719	732	556	987	134.8%	176	31.7%
Other equipment and support vehicles	2,189	1,472	1,569	717	48.7%	(97)	-6.2%
	<u>\$ 163,281</u>	<u>\$ 155,045</u>	<u>\$ 165,799</u>	<u>\$ 8,236</u>	5.3%	<u>\$ (10,754)</u>	-6.5%

In fiscal year ended June 30, 2023, the District spent \$25.4 million for capital acquisition and construction, which were funded primarily by federal and state grants. Additions included building and station improvements of \$2.3 million, fleet additions of \$17 million, and other equipment and technology for \$1.6 million. Construction-in-progress increased \$3.1 million due to several improvement projects in process at the Glenwood and Eugene Station locations.

In fiscal year ended June 30, 2022, the District spent \$4.9 million for capital acquisition and construction, approximately 90 percent of which are eligible to be covered by federal and state grants. The reimbursement percentage is 83 percent, some with statewide transportation improvement fund match with only a few projects this year requiring general funding exclusively. Additions included building and station improvements of \$1.5 million, fleet technology additions of \$1.1 million, and other equipment for \$0.6 million which includes a new phone system. Construction-in-progress increased \$1.6 million due to several improvement projects in process at the Glenwood and RideSource locations.

Related Budget Impact

The District's Board of Directors adopted the FY23 budget on May 18, 2022. The total adopted budget for FY23 is \$203.6 million, which includes \$162.2 million in total appropriations, an 18 percent increase from the FY22 budget. 51 percent of the increase is due to partially grant-funded community investments in the Capital Projects fund and 44 percent of the increase is due to the creation of a sustainable services reserve. Fixed route services and general District operating costs budgeted through the District's General Fund are up 13 percent. This increase is a result of both: 1) an increase in the number of employees needed to strategically build back our transit system given the demand for new mobility options and changed ridership demographics and 2) an increase in medical premium costs of 7%. The Amalgamated Transit Union working and wage agreement expired on June 30, 2022 and was settled February 10, 2023. Changes to this contract were a 7% increase in wages immediately, and 5% increases effective July 1 of 2023, 2024 and 2025. The FY23 adopted budget can be found under "Financials" and "Annual Budget" at: <https://www.ltd.org/financials/>. Budget to Actual statements can be found in this document under Supplementary Information.

Resources

The impact of the COVID-19 pandemic on transit continues. While transit ridership has gradually improved through most of fiscal year 2023, it remains well below pre-pandemic levels. Fare revenue is a relatively small part of the operating budget at 6%, but lower ridership also has an impact on Federal Formula Funds which are used to support both operations and capital projects. Revenues for general operations exceeded budget by \$6 million, or 8.5%. This is due to higher than expected employer payroll taxes, federal assistance and interest income. However, due to slow recovery in our Specialized Services and Medicaid programs, overall transit services revenue fell short of budget by \$4 million, or 4%. 89 percent of LTD's fiscal year 2023 annual revenues are a combination of fares, taxes paid by local employers and employees and from state and federal sources. The remaining 11 percent is from Medicaid.

Expenditures

Expenditures for general operations were \$.7 million less than budget (1%). Personnel costs exceeded budget by \$.4 million (-1%). Materials, services and insurance were under budget by \$1.1 million (7.6%). Total transit services expenses were under budget by \$10.1 million, or 11.7%. This is due to a slow recovery in specialized programs and Medicaid services.

General Fund Transfers

- The FY23 budget General Fund transfer to the Accessible Services Fund was budgeted to be \$4.7 million. The actual transfer needed was \$2.9 million due to reduced ridership. Transfers to the Point2Point Fund and the Medicaid Fund were as budgeted, \$.3 million each.
- \$9.1 million is budgeted to be transferred to the Capital Projects Fund to cover grant matches. A few notable projects in the FY23 Capital Projects fund include:
 - \$24.7 million to replace buses that have reached the end of their useful life with electric buses to meet our Climate Action Policy and Fleet Procurement Goals of becoming 100% fossil fuel free by 2035.
 - \$3 million for the alternative fuels infrastructure which is a future need to achieve the community's sustainability goals.
 - \$9.9 million in technology infrastructure & system projects to replace our aging systems, many of which are obsolete.
 - \$1.4 million for the Operations Command Control Center which updates the operations dispatch, creates a separate training room, and updates the wellness center – all of which improve our operations and increase employee development.

In fiscal year 2023 the district established a Sustainable Services Reserve Fund with a \$10 million transfer from the General Fund. The use of this reserve will be restricted to support transit services during emergencies and times of extreme economic downturn. The balance of the reserve will be kept at two to six month's operating expenses.

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, Oregon 97475-0470

Lane Transit District
Statements of Net Position
June 30, 2023 and June 30, 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 48,475,677	\$ 42,427,081
Restricted cash and cash equivalents	32,013,318	18,261,539
Subtotal, cash and cash equivalents	80,488,995	60,688,620
Receivables		
Accounts receivable	5,667,933	1,909,503
Taxes receivable	11,644,907	11,690,780
Grants receivable	12,520,048	8,434,303
Leases receivable	-	10,418
Total Receivables - Net (consideration)	29,832,888	22,045,004
Inventories	1,787,845	2,061,275
Prepaid Items	804,991	595,722
Total Current Assets	112,914,719	85,390,621
Noncurrent Assets		
Capital Assets		
Depreciable and amortizable capital assets	140,585,810	134,923,690
Land	17,476,089	17,476,089
Freestanding public art	366,917	366,917
Construction in progress	4,852,357	2,278,749
Total noncurrent assets	163,281,173	155,045,445
Total assets	276,195,892	240,436,066
Deferred Outflows of Resources		
Deferred outflows related to ATU pension trust	7,498,650	3,843,491
Deferred outflows related to Salaried employees' plan	490,716	1,591,259
Deferred outflows related to OPEB	1,779,870	2,115,476
Total deferred outflows of resources	9,769,236	7,550,226

Lane Transit District
Statements of Net Position (Continued)
June 30, 2023 and June 30, 2022 (in thousands)

	2023	2022
Liabilities		
Current Liabilities		
Accounts payable	11,168,807	3,067,768
Accrued expenses	560,290	1,243,963
Current portion of accrued vacation and sick leave	697,380	758,132
Current portion of claims payable	209,409	199,437
Current portion of leases payable	10,270	10,066
Current portion of subscriptions payable	238,853	153,963
Unearned revenues	19,402,141	16,320,645
Other current liabilities	1,857	1,882
Total current liabilities	32,289,007	21,755,856
Noncurrent Liabilities		
Accrued vacation and sick leave, less current portion	2,341,129	2,011,677
Claims payable	106,852	27,607
Leases payable	209,990	220,261
Subscriptions payable	816,493	256,265
Total OPEB liability	12,694,926	14,165,454
Net pension liability - ATU pension trust	14,806,451	7,395,964
Net pension liability - Salaried employees' plan	8,737,521	10,062,543
Total noncurrent liabilities	39,713,362	34,139,771
Total liabilities	72,002,369	55,895,627
Deferred Inflows of Resources		
Deferred inflows related to leases	-	10,418
Deferred inflows related to ATU pension trust	821,811	4,282,600
Deferred inflows related to salaried employees' plan	-	44,945
Deferred inflows related to OPEB	3,297,996	1,868,348
Total Deferred Inflows of Resources	4,119,807	6,206,311
Net Position		
Net investment in capital assets	162,005,567	154,404,890
Restricted for:		
Capital projects	12,751,572	4,022,920
Unrestricted	35,085,813	27,456,544
Total Net Position	\$ 209,842,952	\$ 185,884,354

Lane Transit District
Statements of Revenue, Expenses, and Changes in Net Position
Years Ended June 30, 2023 and June 30, 2022 (in thousands)

	<u>2023</u>	<u>2022</u>
Operating revenues		
Passenger fares	\$ 4,681,548	\$ 3,798,924
Accessible services, medicaid and Point2Point	12,162,620	13,978,068
Advertising	31,300	31,125
	<u>16,875,468</u>	<u>17,808,117</u>
Operating expenses		
Personnel services	40,432,377	35,602,503
Materials and services	10,252,667	11,561,068
Insurance	1,380,383	1,270,429
Accessible services, medicaid and Point2Point	19,947,074	16,008,711
Depreciation and amortization	17,156,311	15,563,501
	<u>89,168,812</u>	<u>80,006,212</u>
Total operating revenues	<u>16,875,468</u>	<u>17,808,117</u>
Total operating expenses	<u>89,168,812</u>	<u>80,006,212</u>
Operating loss	<u>(72,293,344)</u>	<u>(62,198,095)</u>
Nonoperating Revenues (Expenses)		
Employer payroll tax, net (note 1)	49,019,822	47,048,331
Self-employment payroll tax, net (note 1)	2,434,645	2,323,671
State payroll assessment	521,887	646,016
Grant revenue	19,665,451	17,974,451
Interest	1,573,637	379,406
Miscellaneous income	388,294	426,206
Gain (loss) on disposal of capital assets	-	(313,277)
Interest expense	(44,347)	(17,643)
	<u>73,559,389</u>	<u>68,467,161</u>
Total Nonoperating Revenues (Expenses)	<u>73,559,389</u>	<u>68,467,161</u>
Net income (loss) before capital contributions	<u>1,266,045</u>	<u>6,269,066</u>
Capital contributions	<u>22,692,553</u>	<u>8,115,972</u>
Change in net position	<u>23,958,598</u>	<u>14,385,038</u>
Net Position		
Beginning of year, as previously reported	185,884,354	171,407,613
Restatement - (note 11)	-	91,703
Beginning of year, as restated	<u>185,884,354</u>	<u>171,499,316</u>
Net Position - end of year	<u>\$ 209,842,952</u>	<u>\$ 185,884,354</u>

Lane Transit District
Statements of Cash Flows
Years Ended June 30, 2023 and June 30, 2022 (in thousands)

	2023	2022
Cash Flows from Operating Activities		
Cash received from customers	\$ 13,117,038	\$ 17,129,479
Payments to vendors for goods and services	(19,486,865)	(28,620,393)
Payments to employees	(41,284,880)	(36,207,772)
Cash received from other sources	388,294	426,206
Net cash provided by (used for) operating activities	(47,266,413)	(47,272,480)
Cash Flows From Noncapital Financing Activities		
Employer payroll tax	49,065,695	45,724,492
Self-employment tax	2,434,645	2,323,671
State payroll assessment	521,887	646,016
Operating grants	15,579,706	17,974,451
Net cash provided by (used for) non-capital financing activities	67,601,933	66,668,630
Cash Flows From Capital and Related Financing Activities		
Capital contributions from grants	22,692,553	16,028,809
Proceeds from sale of capital assets	-	170,600
Acquisition and construction of capital assets	(24,514,428)	(4,781,953)
Leases and SBITAs principal paid	(242,560)	(137,672)
Interest paid on leases and SBITAs	(44,347)	(17,643)
Net cash provided by (used for) capital and related financing activities	(2,108,782)	11,262,141
Cash Flows From Investing Activities		
Investment income received	1,573,637	181,836
Net cash provided by (used for) investing activities	1,573,637	181,836
Net change in cash and cash equivalents	19,800,375	30,840,127
Cash and cash equivalents, beginning of year	60,688,620	29,848,493
Cash and Cash Equivalents, end of year	\$ 80,488,995	\$ 60,688,620

Lane Transit District
Statement of Cash Flows (Continued)
Years Ended June 30, 2023 and 2022 (in thousands)

	2023	2022
Reconciliation of Operating Loss to Net Cash Used for Operating Activities		
Operating loss	\$ (72,293,344)	\$ (62,198,095)
Miscellaneous income	388,294	426,206
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation expense	17,156,311	15,563,501
Pension expense	25,115	(1,509,063)
OPEB expense	294,726	699,290
Effect of changes in:		
Accounts receivable	(676,934)	(678,635)
Inventories	273,430	(571,726)
Prepaid items	(209,269)	(158,234)
Accounts payable	8,101,039	874,468
Accrued liabilities	(414,973)	204,501
Claims payable and other liabilities	89,192	75,307
	<u>\$ (47,266,413)</u>	<u>\$ (47,272,480)</u>
Net Cash Used for Operating Activities		

Lane Transit District
Statements of Fiduciary Net Position
Years Ended June 30, 2023

Statements of Fiduciary Net Position

	Pension Trust Funds As of June 30, 2023	Pension Trust Funds As of June 30, 2022
Assets		
Cash		
Cash and cash equivalents	\$ 691,098	\$ 1,521,708
Investments		
Shares of registered investment companies	58,742,537	62,626,425
Accounts receivable	984	-
Total Assets	59,434,619	64,148,133
Liabilities		
Accrued expenses	-	8,799
Total Liabilities	-	8,799
Fiduciary Net Position - Restricted for Pension	\$ 59,434,619	\$ 64,139,334

Statements of Changes in Fiduciary Net Position

	Pension Trust Funds For the Year Ended June 30, 2023	Pension Trust Funds For the Year Ended June 30, 2022
Additions		
Employer contributions	\$ 5,230,682	\$ 5,208,819
Net change in fair value of investments	(6,223,382)	(924,287)
Interest, dividends and other income	1,775,778	1,774,046
Investment expenses	(125,009)	(111,758)
Net investment income	(4,572,613)	738,001
Total Additions	658,069	5,946,820
Deductions		
Benefits paid to participants	5,174,047	4,838,171
Administrative expenses	188,737	128,526
Total deductions	5,362,784	4,966,697
Change in fiduciary net position	(4,704,715)	980,123
Fiduciary Net Position, Beginning	64,139,334	63,159,211
Fiduciary Net Position, Ending	\$ 59,434,619	\$ 64,139,334

Note 1 - Operations 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. The fiduciary fund financial statements include the financial statements of the Lane Transit District Salaried Employee’s Retirement Plan Trust Fund as of and for the year ended June 30, 2023, and the Amalgamated Transit Union, local No 757 Pension Trust Fund as of and for the year ended December 31, 2022.

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.

Basis of Accounting and Revenue Recognition

Operations of the District are presented in 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 pension trust funds accounts for the activities of the Lane Transit District Salaried Employee’s Retirement Plan and the Amalgamated Transit Union, Local No. 757 Pension, which accumulates resources held in trust for pension payments to qualified beneficiaries.

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

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 these definitions are reported as nonoperating revenues and expenses.

Accounting for pension activities is reported using the economic resources measurement focus and the accrual basis of accounting.

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 trued up following the tax return filings of employers. Future cash distributions are adjusted for true-ups identified during the filing of employer tax returns.

Employer payroll tax and Self-employment tax are presented net of administrative fees:

	2023	2022
Employer payroll tax	\$ 49,644,818	\$ 47,673,327
State administrative fees	(624,996)	(624,996)
Employer payroll tax, net	\$ 49,019,822	\$ 47,048,331
	2023	2022
Self-employment payroll tax	\$ 2,534,641	\$ 2,423,667
State administrative fees	(99,996)	(99,996)
Self-employment payroll tax, net	\$ 2,434,645	\$ 2,323,671

Restricted Assets

When both restricted and unrestricted resources are available for the same purpose (e.g. a construction project), the District's policy is to use all available restricted resources first before unrestricted resources are utilized. 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.

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.

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.

Leases Receivables

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

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.

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 items.

Capital Assets and Depreciation

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

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

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

Leases and Subscription-Based Information Technology (SBITA)

The right-to-use leased assets and subscription-based information technology arrangement (SBITA) assets are recognized at the commencement date and represent the District's right to use the underlying asset for the lease or subscription term. Right to use leased assets and subscription IT assets are measured at the initial value of the liability plus any payments made to the lessor/vendor at the commencement of the term, less any lease/subscription incentives received from the lessor/vendor at or before the commencement of the term, plus any capitalizable initial implementation costs or (separate leasehold improvements) necessary to place the asset into service. The right-to-use leased asset and subscription IT assets are amortized over the shorter of the term or useful life of the underlying asset.

Deferred Inflows and Outflows of Resources

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

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

Accrued Vacation and Sick Leave Liabilities (Compensated Absences)

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.

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.

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.

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.

New Accounting Pronouncements

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The District implemented this Statement on the financial statements as of July 1, 2021. Note 11 describes the impact of this Statement on the financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgets and Appropriations

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

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

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

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

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

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

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.

Note 3 - Cash and Investments

The District's cash and investments consist of the following at June 30 (in thousands):

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 4,400	\$ 4,485
Deposits with financial institutions	2,773,344	3,796,761
Oregon local government investment pool	<u>77,711,251</u>	<u>56,887,374</u>
Total	<u>\$ 80,488,995</u>	<u>\$ 60,688,620</u>

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

Cash and cash equivalents		
Unrestricted	\$ 48,475,677	\$ 42,427,081
Restricted	<u>32,013,318</u>	<u>18,261,539</u>
Total cash and cash equivalents	<u>\$ 80,488,995</u>	<u>\$ 60,688,620</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.

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. The balance is available for withdrawal on demand and is based on the accounting records maintained by LGIP, which are recorded on a cost basis.

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, 2023 and 2022 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 weighted average maturity of the pool is less than one year for fiscal years ended June 30, 2023 and June 30, 2022.

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. LGIP funds are unrated as of June 30, 2023 and 2022. The LGIP's policies, however, 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.

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.

Note 4 - Receivables

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

	2023	2022
Transportation and fixed route revenue	\$ 3,134,772	\$ 529,404
Medicaid reimbursement	2,508,934	1,360,296
Medicaid nonmedical reimbursement	-	5,000
Medicaid developmental disability reimbursement	132	13,991
Miscellaneous	24,095	812
Net total accounts receivable	\$ 5,667,933	\$ 1,909,503

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

	2023	2022
Employer payroll taxes	\$ 11,587,173	\$ 11,422,088
Self-employment taxes	57,734	105,268
State-in-lieu	-	163,424
Total tax receivable	\$ 11,644,907	\$ 11,690,780

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

	2023	2022
Restricted federal grants	\$ 10,892,099	\$ 4,039,284
Restricted state grants	850,129	3,805,934
Total restricted grants	11,742,228	7,845,218
Grants restricted for Accessible Services, Medicaid, and Point2Point	777,820	589,085
Total grants receivable	\$ 12,520,048	\$ 8,434,303

Note 5 - Capital Assets

Major classes of capital assets and accumulated depreciation as of June 30, 2023 and 2022:

	Balance June 30, 2022	Additions	Deductions	Transfers	Balance June 30, 2023
Capital Assets Not Being Depreciated					
Land	\$ 17,476,089	\$ -	\$ -	\$ -	\$ 17,476,089
Public art	366,917	-	-	-	366,917
Construction in progress	2,278,749	3,103,424	-	(529,816)	4,852,357
Total capital assets not being depreciated	20,121,755	3,103,424	-	(529,816)	22,695,363
Capital Assets Being Amortized or Depreciated					
Busways	129,274,804	100,407	-	-	129,375,211
Rolling stock and related equipment	71,911,443	16,994,911	(309,856)	-	88,596,498
Stations, shelters, and bus signs	34,662,219	526,450	-	529,816	35,718,485
Buildings and improvements	47,965,537	1,756,089	-	-	49,721,626
Accessible Services vehicles	6,411,506	-	(117,045)	-	6,294,461
Right to use subscriptions/leases	912,184	1,329,603	-	-	2,241,787
Other equipment and support vehicles	17,568,949	1,581,156	(143,612)	-	19,006,493
Total capital assets being depreciated	308,706,642	22,288,616	(570,513)	529,816	330,954,561
Less Accumulated Amortization/Depreciation for					
Busways	52,307,143	6,548,068	-	-	58,855,211
Rolling stock and related equipment	43,918,456	5,151,821	(309,856)	-	48,760,421
Stations, shelters, and bus signs	22,215,626	1,677,551	-	-	23,893,177
Buildings and improvements	35,037,247	2,027,760	-	-	37,065,007
Accessible Services vehicles	4,027,927	544,461	(117,045)	-	4,455,343
Right to use subscriptions/leases	179,927	342,606	-	-	522,533
Other equipment and support vehicles	16,096,627	864,044	(143,612)	-	16,817,059
Total accumulated depreciation	173,782,953	17,156,311	(570,513)	-	190,368,751
Total capital assets being depreciated, net	134,923,689	5,132,305	-	529,816	140,585,810
Total capital assets, net	\$ 155,045,444	\$ 8,235,729	\$ -	\$ -	\$ 163,281,173

Lane Transit District
Notes to the Financial Statements
June 30, 2023 and June 30, 2022

	Restated Balance June 30, 2021	Additions	Deductions	Transfers	Balance June 30, 2022
Capital Assets Not Being Depreciated					
Land	\$ 17,646,689	\$ -	\$ (170,600)	\$ -	\$ 17,476,089
Public art	366,917	-	-	-	366,917
Construction in progress	728,341	1,724,439	(129,443)	(44,588)	2,278,749
Total capital assets not being depreciated	18,741,947	1,724,439	(300,043)	(44,588)	20,121,755
Capital Assets Being Depreciated					
Busways	129,274,804	-	-	-	129,274,804
Rolling stock and related equipment	77,675,510	837,098	(6,601,165)	-	71,911,443
Stations, shelters, and bus signs	33,748,774	868,857	-	44,588	34,662,219
Buildings and improvements	47,588,845	722,674	(345,982)	-	47,965,537
Accessible Services vehicles	6,357,082	253,818	(199,394)	-	6,411,506
Right to use subscriptions/leases	555,559	356,625	-	-	912,184
Other equipment and support vehicles	17,136,587	530,384	(98,022)	-	17,568,949
Total capital assets being depreciated, net	312,337,161	3,569,456	(7,244,563)	44,588	308,706,642
Less Accumulated Depreciation for					
Busways	45,761,306	6,545,837	-	-	52,307,143
Rolling stock and related equipment	46,215,868	4,303,754	(6,601,166)	-	43,918,456
Stations, shelters, and bus signs	20,591,535	1,624,091	-	-	22,215,626
Buildings and improvements	33,308,016	1,892,557	(163,326)	-	35,037,247
Accessible Services vehicles	3,836,185	391,136	(199,394)	-	4,027,927
Right to use subscriptions/leases	-	179,927	-	-	179,927
Other equipment and support vehicles	15,567,272	626,199	(96,844)	-	16,096,627
Total accumulated depreciation	165,280,182	15,563,501	(7,060,730)	-	173,782,953
Total capital assets being depreciated, net	147,056,979	(11,994,045)	(183,833)	44,588	134,923,689
Total capital assets, net	\$ 165,798,926	\$ (10,269,606)	\$ (483,876)	\$ -	\$ 155,045,444

Depreciation expense was \$17,156,311 and \$15,563,501, for fiscal years ended June 30, 2023, and 2022, 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.

Note 6 - Long Term Liabilities

Long term liabilities at June 30, 2023 and 2022 consisted of the following:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Subscriptions payable	\$ 410,228	\$ 877,612	\$ 232,494	\$ 1,055,346	\$ 238,853
Leases payable	230,327	-	10,066	220,260	10,270
Compensated absences	2,769,809	1,134,468	865,768	3,038,509	697,380
	<u>\$ 3,410,364</u>	<u>\$ 2,012,080</u>	<u>\$ 1,108,328</u>	<u>\$ 4,314,115</u>	<u>\$ 946,503</u>
	Restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Subscriptions payable	\$ 245,764	\$ 291,868	\$ 127,404	\$ 410,228	\$ 153,963
Leases payable	240,595	-	10,268	230,327	10,066
Compensated absences	2,772,372	2,294,119	2,296,682	2,769,809	758,132
	<u>\$ 3,258,731</u>	<u>\$ 2,585,987</u>	<u>\$ 2,434,354</u>	<u>\$ 3,410,364</u>	<u>\$ 922,161</u>

Accrued Vacation and Sick Leave Liabilities

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

	2023	2022
Accrued Vacation and Sick Leave Payable at Beginning of Period	\$ 2,769,809	\$ 2,772,372
Total vacation accrued for period	787,846	1,650,937
Total sick leave accrued for period	346,622	643,182
Total vacation taken for period	(514,052)	(1,569,658)
Total sick leave taken for period	(295,744)	(641,732)
Total sick leave lost for period	(55,972)	(85,292)
Accrued vacation and sick leave payable at end of period	<u>\$ 3,038,509</u>	<u>\$ 2,769,809</u>
Vacation time - union-represented employees	\$ 1,253,481	\$ 1,132,275
Combined annual leave - nonunion employees	840,444	743,827
Sick leave - union-represented employees	502,517	483,517
Extended illness bank - nonunion employees	442,067	410,190
Total accrued vacation and sick leave	<u>\$ 3,038,509</u>	<u>\$ 2,769,809</u>
Current Portion Vacation and Sick Leave	697,380	758,132
Noncurrent Vacation and Sick Leave	<u>2,341,129</u>	<u>2,011,677</u>
Total	<u>\$ 3,038,509</u>	<u>\$ 2,769,809</u>

Leases

The District entered into two agreements to lease property for four five-year renewable terms. Under the terms of the lease agreements the District pays \$14,449 annually. At July 1, 2021, the District recognized a right to use asset of \$240,595 and a lease liability of the same amount related to the lease agreements. During the fiscal year, the District recorded \$12,030 in amortization expense and \$4,382 of interest expense for the right to use assets. The District used a discount rate of 2%.

Remaining obligations associated with these leases are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 10,270	\$ 4,179
2025	10,477	3,971
2026	10,689	3,760
2027	10,904	3,544
2028	11,124	3,324
2029-2033	59,083	13,160
2034-2038	65,291	6,952
2039-2041	42,422	923
	<u>\$ 220,260</u>	<u>\$ 39,813</u>

Subscription-Based Information Technology Arrangements (SBITA)

The District has entered into three SBITA contracts for enterprise resource software, infrastructure, and capital asset management software. The District is required to make principal and interest payments through August 2031. The SBITA contracts have interest rates between 3.2% and 3.5% OR The subscription liability was valued using discount rates between 3.84% and 4.79% determined on the District's incremental borrowing rate at the inception of the subscriptions.

Remaining principal and interest payments on subscriptions are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 238,853	\$ 35,543
2025	171,958	26,266
2026	81,832	21,825
2027	85,030	18,627
2028	88,353	15,304
2029-2032	389,320	25,308
	<u>\$ 1,055,346</u>	<u>\$ 142,873</u>

Note 7 - Pension plans information

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.

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

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

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

The plan is administered by three appointed trustees, including a member of the Lane Transit District Board of Directors, and the general manager and the director of finance of LTD. The LTDSP Part 1 provides retirement, disability, and death benefits to participants and beneficiaries and covers all District nonunion employees hired before January 1, 2012.

Benefits Provided

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

Annual benefits are calculated as the higher of the following:

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

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

Under LTDSP Part 2, the District contributes to an account, invested at the plan member's direction, 6 percent of a member's compensation for each payroll period that begins after six calendar months of employment. For the years ended June 30, 2023 and 2022, employer contributions to this plan recognized as expense were \$179,753 and \$125,108, respectively.

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 their beneficiaries) currently receiving benefits	98
Inactive employees entitled to but not yet receiving benefits	32
Active employees	25
Total number of employees covered by the benefit terms	<u><u>155</u></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, 2023 and 2022:

Investment Type	Balance at June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Measured at Fair Value Level				
Mutual Funds - Fixed income	\$ 9,221,458	\$ -	\$ 9,221,458	\$ -
Mutual Funds - Equities	7,563,578	-	7,563,578	-
Collective Investment Trust	1,624,930	-	1,624,930	-
Mutual Funds - Balanced	4,564,513	-	4,564,513	-
Total Fair Value of Investments	\$ 22,974,479	\$ -	\$ 22,974,479	\$ -

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

Net Pension Liability

The District's net pension liability for the LTDSP Part 1 at June 30, 2023, was measured as of that date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Methods and Assumptions

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	22.0%	3.30%
International Equity	18.0%	5.85%
Fixed Income	40.0%	0.00%
Real Return (all asset strategies)	10.0%	2.20%
Global Tactical Asset Allocation (GTAA)	10.0%	2.50%
Total	100.0%	

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at July 1, 2022	\$ 32,006,909	\$ 21,944,366	\$ 10,062,543
Changes for the year:			
Service cost	369,968	-	369,968
Interest	1,566,998	-	1,566,998
Economic/demographic (gains)	-	-	-
Changes of assumptions	-	-	-
Employer contributions	-	1,573,367	(1,573,367)
Net investment income	-	1,778,234	(1,778,234)
Benefit payments	(2,073,846)	(2,073,846)	-
Administrative expense	-	(89,613)	89,613
Net changes	(136,880)	1,188,142	(1,325,022)
Balances at June 30, 2023	\$ 31,870,029	\$ 23,132,508	\$ 8,737,521
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at July 1, 2021	\$ 30,592,338	\$ 25,620,759	\$ 4,971,579
Changes for the year:			
Service cost	362,233	-	362,233
Interest	1,652,038	-	1,652,038
Economic/demographic (gains)	(157,307)	-	(157,307)
Changes of assumptions	1,392,657	-	1,392,657
Employer contributions	-	1,576,101	(1,576,101)
Net investment loss	-	(3,342,352)	3,342,352
Benefit payments	(1,835,050)	(1,835,050)	-
Administrative expense	-	(75,092)	75,092
Net changes	1,414,571	(3,676,393)	5,090,964
Balances at June 30, 2022	\$ 32,006,909	\$ 21,944,366	\$ 10,062,543

Contributions

The funding policy for the LTDSP Part 1 is established and may be amended by the District’s Board of Directors. Contributions to the plan are made biweekly according to an actuarially determined rate recommended by an independent actuary. This rate is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as a percentage of covered payroll, was 16.9 percent for the years ended June 30, 2023 and 2022. The District makes an additional level dollar contribution to further reduce the unfunded accrued liability. For the years ended June 30, 2023 and 2022, contributions were \$1,573,367 and \$1,132,332, respectively.

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

The following presents the net pension liability of the District, calculated using a discount rate of 5.00 percent in both fiscal years, 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:

	Salaried Plan
June 30, 2023	
1% decrease (4.00%)	\$ 12,311,456
Current discount rate (5.00%)	8,737,521
1% increase (6.00%)	5,713,150
June 30, 2022	
1% decrease (4.00%)	\$ 13,651,827
Current discount rate (5.00%)	10,062,543
1% increase (6.00%)	7,025,183

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

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$1,303,943 and \$1,795,166, 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):

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2023		
Net difference between projected and actual earnings	\$ 490,716	\$ -
Total	\$ 490,716	\$ -
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	\$ -	\$ (44,945)
Changes in assumptions or inputs	397,902	-
Net difference between projected and actual earnings	1,193,357	-
Total	\$ 1,591,259	\$ (44,945)

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,	
2024	\$ (21,521)
2025	(132,464)
2026	783,853
2027	(139,152)
	\$ 490,716

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

**Lane Transit District
Statements of Fiduciary Net Position
Salaried Employee's Retirement Plan Trust Fund
As of June 30, 2023 and 2022**

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>
Assets		
Cash		
Cash and cash equivalents	\$ 158,029	\$ 623,054
Investments		
Shares of registered investment companies	22,974,479	21,330,111
Total Assets	<u>23,132,508</u>	<u>21,953,165</u>
Liabilities		
Accrued expenses	-	8,799
Fiduciary Net Position - Restricted for Pension	<u>\$ 23,132,508</u>	<u>\$ 21,944,366</u>

**Lane Transit District
Statements of Changes in Fiduciary Net Position
Salaried Employee's Retirement Plan Trust Fund
For the Plan Years Ended June 30, 2023 and 2022**

	<u>For the Year Ended June 30, 2023</u>	<u>For the Year Ended June 30, 2022</u>
Additions		
Employer contributions	\$ 1,573,367	\$ 1,576,101
Investment income (loss)		
Net change in fair value of investments	1,204,144	(4,018,087)
Interest, dividends and other income	604,697	706,770
Investment expenses	(54,198)	(58,757)
Net investment income (loss)	<u>1,754,643</u>	<u>(3,370,074)</u>
Total (Net) Additions	<u>3,328,010</u>	<u>(1,793,973)</u>
Deductions		
Benefits paid to participants	2,073,846	1,835,050
Administrative expenses	66,022	47,370
Total deductions	<u>2,139,868</u>	<u>1,882,420</u>
Change in fiduciary net position	1,188,142	(3,676,393)
Fiduciary Net Position, beginning	21,944,366	25,620,759
Fiduciary Net Position, ending	<u>\$ 23,132,508</u>	<u>\$ 21,944,366</u>

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, 2023 and 2022, employer contributions recognized as expense were \$547,158 and \$429,529, respectively.

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

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

Amalgamated Transit Union, Local No. 757 Pension Trust Fund

Plan Description

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

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

Benefits Provided

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

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 their beneficiaries) currently receiving benefits	265
Inactive employees entitled to but not yet receiving benefits	57
Active employees	213
 Total number of employees covered by the benefit terms	 535

Net Pension Liability

The District's net pension liability for the LTD ATU Pension Trust at June 30, 2023, was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

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 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, 2022 and 2021:

Investment Type	Balance at December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds - Fixed income	\$ 7,285,077	\$ -	\$ 7,285,077	\$ -
Mutual Funds - Equities	15,648,526	-	15,648,526	-
Collective Investment Trust	3,838,591	-	3,838,591	-
Mutual Funds - Balanced	8,477,703	-	8,477,703	-
Miscellaneous	518,161	-	518,161	-
Total Fair Value of Investments	\$ 35,768,058	\$ -	\$ 35,768,058	\$ -

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

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2022, 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%
Discount rate	5.50% (5.75% in the previous year)
Mortality	Pri-2012 Combined Mortality with Blue Collar Adjustment, generational projection using MP-2021 starting at the 2012 base year, and a one-year set-forward

Ad hoc cost-of-living adjustments are provided to members and beneficiaries at the discretion of the trustees. The trustees last adopted an ad hoc increase of 2 percent on January 1, 2006. The long-term expected rate of return on pension plan investments was selected based on the plan's target asset allocation as of the valuation date, combined with capital market assumptions from several sources, including published studies summarizing the expectations of various investment experts. Following is the target asset allocation percentage set by policy and expected real rates of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	28.0%	3.30%
International Equity	27.0%	5.85%
Fixed Income	22.0%	0.00%
Real Return (all asset strategies)	13.0%	2.20%
Global Tactical Asset Allocation (GTAA)	10.0%	2.50%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total pension liability for fiscal year ended June 30, 2023 was 5.50 percent and 5.75 percent for the fiscal year ended June 30, 2022. 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 January 1, 2022	\$ 49,590,932	\$ 42,194,968	\$ 7,395,964
Changes for the year:			
Service cost	1,489,448	-	1,489,448
Interest	2,847,991	-	2,847,991
Economic/demographic (gains)	(875,681)	-	(875,681)
Changes of assumptions	1,156,073	-	1,156,073
Employer contributions	-	3,657,315	(3,657,315)
Net investment loss	-	(6,310,807)	6,310,807
Benefit payments	(3,100,201)	(3,100,201)	-
Administrative expense	-	(139,164)	139,164
Net changes	<u>1,517,630</u>	<u>(5,892,857)</u>	<u>7,410,487</u>
Balances at December 31, 2022	<u>\$ 51,108,562</u>	<u>\$ 36,302,111</u>	<u>\$ 14,806,451</u>

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

Contributions

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

Contributions are made according to an actuarially determined rate recommended by an independent actuary that is intended to finance the cost of current benefits earned, plus an amount to finance the unfunded accrued liability. This rate, expressed as an amount per compensable hour, was \$5.52 for each of the years ended December 31, 2022 and 2021. 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:

	<u>ATU Plan</u>
June 30, 2023	
1% decrease (4.50%)	\$ 20,275,609
Current discount rate (5.50%)	14,806,451
1% increase (6.50%)	10,153,420
June 30, 2022	
1% decrease (4.75%)	\$ 12,690,157
Current discount rate (5.75%)	7,395,964
1% increase (6.75%)	2,891,889

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

For the years ended June 30, 2023, and 2022, the District recognized pension expense of \$2,095,794 and \$1,758,759 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2023		
Differences between expected and actual experience	\$ -	\$ (821,811)
Changes in assumptions or inputs	1,886,681	-
Net difference between projected and actual earnings	3,810,714	-
Total (prior to post-measurement date contributions)	5,697,395	(821,811)
Contributions made subsequent to the measurement date	1,801,255	-
Total	\$ 7,498,650	\$ (821,811)
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	\$ 13,573	\$ (284,440)
Changes in assumptions or inputs	2,114,363	-
Net difference between projected and actual earnings	-	(3,998,160)
Total (prior to post-measurement date contributions)	2,127,936	(4,282,600)
Contributions made subsequent to the measurement date	1,715,555	-
Total	\$ 3,843,491	\$ (4,282,600)

Deferred outflows of resources related to pensions of \$1,801,255 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Year ended June 30,	
2024	\$ 723,522
2025	1,016,914
2026	1,406,544
2027	1,728,604
	\$ 4,875,584

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

**Lane Transit District
Statements of Fiduciary Net Position
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
As of December 31, 2022, and 2021**

	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>
Assets		
Cash		
Cash and cash equivalents	\$ 533,069	\$ 898,654
Investments		
Shares of registered investment companies	35,768,058	41,296,314
Accounts receivable	984	-
Total Assets	<u>36,302,111</u>	<u>42,194,968</u>
Fiduciary Net Position - Restricted for Pension	<u>\$ 36,302,111</u>	<u>\$ 42,194,968</u>

**Lane Transit District
Statements of Changes in Fiduciary Net Position
Amalgamated Transit Union, Local No. 757 Pension Trust Fund
For the Plan Years Ended December 31, 2022, and 2021**

	<u>For the Year Ended December 31, 2022</u>	<u>For the Year Ended December 31, 2021</u>
Additions		
Employer contributions	\$ 3,657,315	\$ 3,632,718
Investment income (loss)		
Net change in fair value of investments	(7,427,526)	3,093,800
Interest, dividends and other income	1,171,081	1,067,276
Investment expenses	(70,811)	(53,001)
Net investment income (loss)	<u>(6,327,256)</u>	<u>4,108,075</u>
Total (Net) Additions	<u>(2,669,941)</u>	<u>7,740,793</u>
Deductions		
Benefits paid to participants	3,100,201	3,003,121
Administrative expenses	122,715	81,156
Total deductions	<u>3,222,916</u>	<u>3,084,277</u>
Net increase (decrease) in fiduciary net position	(5,892,857)	4,656,516
Fiduciary Net Position, Beginning of the year	42,194,968	37,538,452
Fiduciary Net Position, End of the year	<u>\$ 36,302,111</u>	<u>\$ 42,194,968</u>

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

June 30, 2023	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Pension Liability	Pension Expense (Credit)
Salaried Plan	\$ 490,716	\$ -	\$ 8,737,521	\$ 269,424
ATU Plan	7,498,650	(821,811)	14,806,451	1,506,716
Total	<u>\$ 7,989,366</u>	<u>\$ (821,811)</u>	<u>\$ 23,543,972</u>	<u>\$ 1,776,140</u>

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

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, 2023 and 2022, employer contributions recognized as expense were \$377,422 and \$353,754, 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.

Note 8 - 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:

- 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 postemployment benefit (OPEB) obligation. No stand-alone financial report is generated for the plan.

Funding Policy

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

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

Active Employees	297
Eligible Retirees	199
Spouses of Ineligible Retirees	0
Total Participants	496

The District's total OPEB liability as of June 30, 2023, was \$12,694,926.

Actuarial assumptions and other inputs: The total OPEB liability was determined by an actuarial valuation, as of the valuation date of January 1, 2022, calculated based on the discount rate of 3.50 percent, and actuarial assumptions below, and was then projected backward to the measurement date of June 30, 2022. The discount rate was based on a 20-year general obligation bond yield published by The Bond Buyer.

Changes in Total OPEB Liability:

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2022	\$ 14,165,454
Changes for the year:	
Service cost	1,087,546
Interest	317,241
Changes of assumptions	(2,317,691)
Benefit payments	(557,624)
Net changes	(1,470,528)
Balance at June 30, 2023	\$ 12,694,926

	Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2021	\$ 14,773,657
Changes for the year:	
Service cost	1,076,830
Interest	343,840
Economic/demographic changes	(1,080,363)
Changes of assumptions	(361,074)
Benefit payments	(587,436)
Net changes	(608,203)
Balance at June 30, 2022	\$ 14,165,454

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 3.54 percent:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 14,319,863	\$ 12,694,926	\$ 11,337,632

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:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 12,497,206	\$ 12,694,926	\$ 12,925,057

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2023 and 2022, the District recognized an OPEB expense of \$848,202 and \$1,256,914, 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
June 30, 2023		
Differences between expected and actual experience	\$ -	\$ (848,785)
Changes in assumptions or inputs	1,226,394	(2,449,211)
Contributions made subsequent to the measurement date	553,476	-
Total	\$ 1,779,870	\$ (3,297,996)
	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2022		
Differences between expected and actual experience	\$ -	\$ (1,081,767)
Changes in assumptions or inputs	1,557,852	(786,581)
Contributions made subsequent to the measurement date	557,624	-
Total	\$ 2,115,476	\$ (1,868,348)

The amount \$553,476 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 subsequent fiscal year. 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,	
2024	\$ (544,400)
2025	(430,031)
2026	(362,934)
2027	(380,691)
2028	(353,546)
	\$ (2,071,602)

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

Information in actuarial valuations

Discount rate	3.54% (2.16% in the prior measurement date)
Valuation date	January 1, 2022
Measurement date	June 30, 2022
Inflation	2.50%
Salary increases	3.00%
Health Cost Trend	5.50% in the first year (anticipated January 1, 2023 premiums compared with January 1, 2022 premiums), 5.25% in the second year, 5.00% in the third through fourth year, 4.75% in the fifth through eighth years, 4.50% in the ninth through 43rd years, 4.25% in the 44th through 48th years, and 4.00% after the 48th year.
Mortality rates	For healthy ATU members and dependents: Pri-2012 Mortality Tables with Blue Collar adjustment, generational projection using MP-2021 mortality improvement projection scales starting at the 2012 base year, and a one-year set-forward. For Administration members and dependents: Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2020 mortality improvement projection scales starting at the 2012 base year. For disabled retirees: Pri-2012 Disabled Mortality Tables and generational projection using MP-2021 mortality improvement projection scales starting at the 2012 base year.
Election rates	100% for District-paid explicit benefits. 50% for District-sponsored coverage prior to age 65. 40% spouse coverage for District-sponsored coverage.
Actuarial cost method	Entry Age Normal; Level Percent of Pay.

Note 9 - 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.

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		
	2023	2022	2021
Unpaid claims and claim adjustment expenses, beginning of the year	\$ 227,044	\$ 154,166	\$ 261,896
Incurred claims (including IBNRs)	288,654	171,767	(53,077)
Claim payments	(199,437)	(98,889)	(54,653)
Total unpaid claims and claim adjustment expenses, end of the year	<u>\$ 316,261</u>	<u>\$ 227,044</u>	<u>\$ 154,166</u>

Unpaid claims are carried at estimated gross settlement value.

Note 10 - 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, 2023, the District has commitments of \$24,388,742 of which \$1,877,572 is for safety and amenity improvements, \$12,954,338 for replacement buses, \$8,564,781 for rehabilitation and renovation of the administrative building, and remaining for all other projects.

Note 11 - Adoption of New Standard and Other Restatements

The District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, as of July 1, 2021. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract.

Additionally, the District decided to record previously unrecorded leases in accordance with GASB Statement No. 87 which were not considered material. In conjunction with the implementation of GASB Statement No. 96, the district determined to restate the balance to also comply with the lease accounting requirements and restated its beginning business-type activities net position, adding leases payable and right to use leased assets as of July 1, 2021. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 96 and GASB Statement No. 87 as follows:

	As of July 1, 2022	As of July 1, 2021
Net position, as previously reported	\$ 171,407,613	\$ 157,551,229
Right to use leased asset	228,565	240,595
Leases payable	(230,327)	(240,595)
Right to use subscription asset	503,693	245,764
Subscription payable	(410,228)	(245,764)
Net position, as restated	\$ 171,499,316	\$ 157,551,229



Required Supplementary Information
June 30, 2023

Lane Transit District

Lane Transit District

Schedule of Changes in the Net Pension Liability and Related Ratios LTD Salaried Employees' Retirement Pension Trust Fund
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018 ¹	2017	2016 ¹	2015	2014 ¹
Total pension liability										
Service cost	\$ 369,968	\$ 362,233	\$ 406,604	\$ 348,035	\$ 396,714	\$ 445,756	\$ 486,472	\$ 521,040	\$ 545,340	\$ 538,088
Interest	1,566,998	1,652,038	1,644,930	1,751,505	1,718,740	1,698,307	1,651,225	1,564,487	1,504,888	1,426,182
Economic/demographic (gains) or losses	-	(157,307)	-	(484,865)	(425)	(206,000)	-	99,443	-	354,334
Differences between expected and actual experience	-	-	-	-	-	-	-	-	-	-
Changes of assumptions	-	1,392,657	-	1,961,345	-	942,158	-	2,952,420	-	506,129
Benefit payments	(2,073,846)	(1,835,050)	(1,920,835)	(1,580,862)	(1,504,188)	(1,413,238)	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)
Net change in total pension liability	(136,880)	1,414,571	130,699	1,995,158	610,841	1,466,983	805,629	3,912,492	867,385	1,885,248
Total pension liability - beginning	32,006,909	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
Total pension liability - ending	<u>\$ 31,870,029</u>	<u>\$ 32,006,909</u>	<u>\$ 30,592,338</u>	<u>\$ 30,461,639</u>	<u>\$ 28,466,481</u>	<u>\$ 27,855,640</u>	<u>\$ 26,388,657</u>	<u>\$ 25,583,028</u>	<u>\$ 21,670,536</u>	<u>\$ 20,803,151</u>
Plan fiduciary net position										
Employer contributions	\$ 1,573,367	\$ 1,576,101	\$ 1,470,780	\$ 1,483,553	\$ 1,506,168	\$ 1,577,474	\$ 1,842,970	\$ 1,174,309	\$ 1,333,241	\$ 1,161,609
Net investment income (loss)	1,778,234	(3,342,352)	5,692,779	546,424	1,051,294	1,357,720	1,893,124	(361,265)	222,900	2,081,971
Benefit payments	(2,073,846)	(1,835,050)	(1,920,835)	(1,580,862)	(1,504,188)	(1,413,238)	(1,332,068)	(1,224,898)	(1,182,843)	(939,485)
Administrative expense	(89,613)	(75,092)	(100,559)	(80,147)	(69,893)	(84,998)	(54,251)	(105,822)	(55,910)	(87,860)
Net change in plan fiduciary net position	1,188,142	(3,676,393)	5,142,165	368,968	983,381	1,436,958	2,349,775	(517,676)	317,388	2,216,235
Plan fiduciary net position - beginning	21,944,366	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
Plan fiduciary net position - ending	<u>\$ 23,132,508</u>	<u>\$ 21,944,366</u>	<u>\$ 25,620,759</u>	<u>\$ 20,478,594</u>	<u>\$ 20,109,626</u>	<u>\$ 19,126,245</u>	<u>\$ 17,689,287</u>	<u>\$ 15,339,512</u>	<u>\$ 15,857,188</u>	<u>\$ 15,539,800</u>
District's net pension liability - ending	<u>\$ 8,737,521</u>	<u>\$ 10,062,543</u>	<u>\$ 4,971,579</u>	<u>\$ 9,983,045</u>	<u>\$ 8,356,855</u>	<u>\$ 8,729,395</u>	<u>\$ 8,699,370</u>	<u>\$ 10,243,516</u>	<u>\$ 5,813,348</u>	<u>\$ 5,263,351</u>
Plan fiduciary net position as a percentage of the total pension liability	72.58%	68.56%	83.75%	67.23%	70.64%	68.66%	67.03%	59.96%	73.17%	74.70%
Covered payroll	\$ 2,163,204	\$ 2,112,444	\$ 1,985,000	\$ 2,876,162	\$ 3,166,571	\$ 3,331,000	\$ 3,717,503	\$ 4,028,000	\$ 4,263,366	\$ 5,226,297
District's net pension liability as a percentage of covered payroll	403.92%	476.35%	250.46%	347.10%	263.91%	262.07%	234.01%	254.31%	136.36%	100.71%

Notes to Schedule:

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

Lane Transit District
Schedule of Employer Contributions LTD Salaried Employees' Retirement Pension Trust Fund
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,572,000	\$ 1,489,000	\$ 1,468,000	\$ 1,482,000	\$ 1,525,000	\$ 1,400,000	\$ 1,455,247	\$ 1,175,000	\$ 1,205,400	\$ 1,157,450
Contribution in relation to the actuarially determined contribution	<u>1,573,367</u>	<u>1,576,101</u>	<u>1,470,780</u>	<u>1,483,553</u>	<u>1,506,168</u>	<u>1,577,474</u>	<u>1,842,970</u>	<u>1,174,309</u>	<u>1,333,241</u>	<u>1,161,609</u>
Contribution deficiency (excess)	\$ (1,367)	\$ (87,101)	\$ (2,780)	\$ (1,553)	\$ 18,832	\$ (177,474)	\$ (387,723)	\$ 691	\$ (127,841)	\$ (4,159)
Covered payroll	\$ 2,163,204	\$ 2,112,444	\$ 1,985,000	\$ 2,876,162	\$ 3,166,571	\$ 3,331,000	\$ 3,717,503	\$ 4,028,000	\$ 4,263,366	\$ 5,226,297
Contributions as a percentage of covered payroll	72.73%	74.61%	74.09%	51.58%	47.56%	47.36%	49.58%	29.15%	31.27%	22.23%
Notes to Schedule:										
Valuation date	7/1/2021	7/1/2019	7/1/2019	7/1/2017	7/1/2017	7/1/2015	7/1/2015	7/1/2013	7/1/2013	7/1/2011
Investment rate of return assumption	5.00%	5.50%	5.50%	6.25%	6.25%	6.50%	6.50%	7.25%	7.25%	7.50%
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Individual entry age normal, level percentage of pay.									
Amortization method	Effective July 1, 2011: Closed 20-year amortization, level dollar.									
Asset valuation method	Market value gains and losses smoothed over three years, with result not less than 80% or greater than 120% of market value.									
Healthy mortality	Effective July 1, 2021: Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2020 mortality improvement projection scales starting at the 2012 base year.									
	Effective July 1, 2019: Pri-2012 Mortality Tables with White Collar adjustment with generational projection using MP-2019 mortality improvement projection scales starting at the 2012 base year.									
	Effective July 1, 2017: RP-2014 Mortality Tables with White Collar adjustments with fully generational mortality protection starting 2006 using mortality improvement Scale MP-2017.									
	Effective July 1, 2015: RP-2014 Mortality Tables with White Collar adjustments.									
	Effective July 1, 2011: RP-2000 Combined Health Mortality Table projected using Scale AA to 2018 for retirees and 2026 for others.									
Inflation	Effective July 1, 2017: 2.50% per year.									
	Effective July 1, 2015: 2.75% per year.									
	Through July 1, 2013: 3.00% per year.									
Salary increases	Effective July 1, 2017: Age-based, with an ultimate rate of 2.75% per year at ages 50+.									
	Effective July 1, 2015: Age-based, with an ultimate rate of 3.00% per year at ages 50+.									
	Effective July 1, 2011: Age-based, with an ultimate rate of 3.50% per year at ages 50+.									

Lane Transit District

Schedule of Changes in the Net Pension Liability and Related Ratios Amalgamated Transit Union, Local No. 757 Pension Trust Fund
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,489,448	\$ 1,446,066	\$ 1,369,480	\$ 1,329,592	\$ 1,021,112	\$ 991,371	\$ 817,980	\$ 794,155	\$ 853,018	\$ 828,173
Interest	2,847,991	2,778,079	2,884,018	2,795,682	2,655,520	2,574,590	2,586,906	2,495,722	2,424,057	2,326,828
Changes of benefit terms	-	-	-	-	-	-	-	-	356,341 ¹	-
Economic/demographic losses	(875,681)	-	(511,992)	-	73,889	-	-	-	-	-
Differences between expected and actual experience	-	-	-	-	-	-	(627,827)	-	(646,134)	-
Changes of assumptions	1,156,073	-	3,081,113	-	2,192,110	-	1,752,783	-	-	-
Benefit payments	(3,100,201)	(3,003,121)	(2,905,472)	(2,706,819)	(2,456,503)	(2,336,977)	(2,148,257)	(1,963,737)	(1,916,128)	(1,761,397)
Net change in total pension liability	1,517,630	1,221,024	3,917,147	1,418,455	3,486,128	1,228,984	2,381,585	1,326,140	1,071,154	1,393,604
Total pension liability - beginning	49,590,932	48,369,908	44,452,761	43,034,306	39,548,178	38,319,194	35,937,609	34,611,469	33,540,315	32,146,711
Total pension liability - ending	<u>\$ 51,108,562</u>	<u>\$ 49,590,932</u>	<u>\$ 48,369,908</u>	<u>\$ 44,452,761</u>	<u>\$ 43,034,306</u>	<u>\$ 39,548,178</u>	<u>\$ 38,319,194</u>	<u>\$ 35,937,609</u>	<u>\$ 34,611,469</u>	<u>\$ 33,540,315</u>
Plan fiduciary net position										
Employer contributions	\$ 3,657,315	\$ 3,632,718	\$ 2,671,188	\$ 2,850,360	\$ 2,895,673	\$ 2,653,938	\$ 3,089,304	\$ 2,309,003	\$ 2,222,585	\$ 2,248,159
Net investment income (loss)	(6,310,807)	4,108,073	5,276,607	4,707,038	(1,845,557)	4,247,805	1,506,119	(577,624)	1,008,693	2,498,570
Benefit payments	(3,100,201)	(3,003,121)	(2,905,472)	(2,706,819)	(2,456,503)	(2,336,977)	(2,148,257)	(1,963,737)	(1,916,128)	(1,761,397)
Administrative expense	(139,164)	(81,154)	(119,830)	(103,752)	(137,086)	(112,050)	(110,564)	(70,779)	(115,303)	(82,478)
Net change in plan fiduciary net position	(5,892,857)	4,656,516	4,922,493	4,746,827	(1,543,473)	4,452,716	2,336,602	(303,137)	1,199,847	2,902,854
Plan fiduciary net position - beginning	42,194,968	37,538,452	32,615,959	27,869,132	29,412,605	24,959,889	22,623,287	22,926,424	21,726,577	18,823,723
Plan fiduciary net position - ending	<u>\$ 36,302,111</u>	<u>\$ 42,194,968</u>	<u>\$ 37,538,452</u>	<u>\$ 32,615,959</u>	<u>\$ 27,869,132</u>	<u>\$ 29,412,605</u>	<u>\$ 24,959,889</u>	<u>\$ 22,623,287</u>	<u>\$ 22,926,424</u>	<u>\$ 21,726,577</u>
District's net pension liability - ending	<u>\$ 14,806,451</u>	<u>\$ 7,395,964</u>	<u>\$ 10,831,456</u>	<u>\$ 11,836,802</u>	<u>\$ 15,165,174</u>	<u>\$ 10,135,573</u>	<u>\$ 13,359,305</u>	<u>\$ 13,314,322</u>	<u>\$ 11,685,045</u>	<u>\$ 11,813,738</u>
Plan fiduciary net position as a percentage of the total pension liability	71.03%	85.09%	77.61%	73.37%	64.76%	74.37%	65.14%	62.95%	66.24%	64.78%
Covered payroll	\$ 13,145,000	\$ 12,247,000	\$ 11,101,000	\$ 14,007,000	\$ 13,176,000	\$ 13,645,000	\$ 11,848,000	\$ 11,344,000	\$ 10,802,000	\$ 10,625,000
District's net pension liability as a percentage of covered payroll	112.64%	60.39%	97.57%	84.51%	115.10%	74.28%	112.76%	117.37%	108.17%	111.19%

Notes to Schedule:

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

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Lane Transit District
Schedule of Employer Contributions Amalgamated Transit Union, Local No. 757 Pension Trust Fund
Last 10 Fiscal Years

	Plan Year Ending December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 3,510,000	\$ 3,465,000	\$ 2,920,000	\$ 2,849,000	\$ 2,896,000	\$ 2,671,000	\$ 2,490,859	\$ 2,324,000	\$ 2,118,000	\$ 2,152,000
Contribution in relation to the actuarially determined contribution	3,657,315	3,632,718	2,671,188	2,850,360	2,895,673	2,653,938	3,089,304	2,309,003	2,222,585	2,248,159
Contribution deficiency (excess)	<u>\$ (147,315)</u>	<u>\$ (167,718)</u>	<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>
Covered payroll	\$ 11,484,000	\$ 11,290,000	\$ 11,092,000	\$ 14,028,000	\$ 13,311,000	\$ 13,292,000	\$ 11,661,000	\$ 10,999,000	\$ 10,526,000	\$ 10,544,000
Contributions as a percentage of covered payroll	31.85%	32.18%	24.08%	20.32%	21.75%	19.97%	26.49%	20.99%	21.12%	21.32%
Notes to Schedule:										
Valuation date	1/1/2022	1/1/2020	1/1/2020	1/1/2018	1/1/2018	1/1/2016	1/1/2016	1/1/2014	1/1/2014	1/1/2012
Investment rate of return assumption	5.50%	5.75%	5.75%	6.50%	6.50%	6.75%	6.75%	7.25%	7.25%	7.25%
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Effective January 1, 2014: Individual entry age normal, level percentage of pay. Through January 1, 2012: Individual entry age normal, level dollar.									
Amortization method	Effective January 1, 2014: Layered 20-year amortization, level percentage of pay. Effective January 1, 2006: Layered 20-year amortization, level dollar.									
Asset valuation method	Market value gains and losses are smoothed over three years, with result not less than 80% or greater than 120% of market value. The actuarial asset method was reset to the market value of assets effective January 1, 2018.									
Mortality	Effective January 1, 2022: Pri-2012 Combined Mortality with Blue Collar Adjustment, generational projection using MP-2021 starting at the 2012 base year, and a one-year set-forward. 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, 2010: RP-2000 Combined Health Mortality Table with Blue Collar Adjustment, projected using Scale AA to 2010. 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. Through January 1, 2012: N/A.									

Lane Transit District
 Schedule of Total OPEB Liability (TOL)
 Last 10 Fiscal Years

<u>Fiscal Year Ended ¹</u>	<u>Total OPEB Liability</u>	<u>Covered Employee Payroll</u>	<u>TOL as a percent of covered payroll</u>
6/30/2023	\$ 12,694,926	\$ 13,647,204	93.02%
6/30/2022	14,165,454	13,402,444	105.69%
6/30/2021	14,773,657	13,077,000	112.97%
6/30/2020	11,873,234	16,904,162	70.24%
6/30/2019	11,660,678	16,477,571	70.77%
6/30/2018	9,605,874	16,623,000	57.79%
6/30/2017	9,853,579	15,378,503	64.07%

Notes to Schedule:

1. This schedule is intended to show a 10-year trend of changes in the total OPEB liability. However, until a full 10-year trend is compiled, information will only be presented for those years in which it is available.
2. There are no assets accumulated in a trust that meets the criteria of GASB codification P11.101 or P52.101 to pay related benefits for the OPEB plan.

Lane Transit District
Schedule of District's OPEB Contributions

Fiscal Year Ended ¹	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
6/30/2023	\$ 14,165,454	\$ 1,087,546	\$ 317,241	\$ (557,624)	-	\$ (2,317,691)	-	\$ 12,694,926
6/30/2022	14,773,657	1,076,830	343,840	(587,436)	(1,080,363)	(361,074)	-	14,165,454
6/30/2021	11,873,234	825,960	427,108	(573,413)	-	2,220,768	-	14,773,657
6/30/2020	11,660,678	830,562	473,004	(542,982)	(334,126)	(213,902)	-	11,873,234
6/30/2019	9,605,874	753,687	355,173	(490,681)	-	(326,239)	1,762,864	11,660,678
6/30/2018	9,853,579	792,964	296,401	(496,473)	-	(840,597)	-	9,605,874

Notes to Schedule:

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

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.



Supplementary Information
June 30, 2023

Lane Transit District

Lane Transit District

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a Non-GAAP Budget
Basis – General Fund
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Passenger fares	\$ 3,780,006	\$ 3,780,006	\$ 4,681,548	\$ 901,542
Advertising	-	-	-	-
Special Services	55,000	55,000	31,300	(23,700)
Employer payroll tax	47,005,600	47,005,600	49,019,822	2,014,222
Self-employment tax	2,451,900	2,451,900	2,434,645	(17,255)
State payroll assessment	658,500	658,500	521,887	(136,613)
Federal assistance	16,730,604	16,730,604	18,496,627	1,766,023
State assistance	1,078,000	1,078,000	1,168,824	90,824
Miscellaneous	332,688	332,688	388,294	55,606
Interest	51,000	51,000	1,573,637	1,522,637
Total revenues	72,143,298	72,143,298	78,316,584	6,173,286
Expenditures				
Personnel services	41,529,665	42,354,073	42,771,943	(417,870)
Materials and services	13,270,568	14,126,733	12,305,700	1,821,033
Insurance	685,500	691,685	1,380,383	(688,698)
Contingency	1,314,843	-	-	-
Transit Services [1]	56,800,576	57,172,491	56,458,026	714,465
Other uses				
Transfer to Accessible Services Fund	4,748,461	4,748,461	2,900,000	1,848,461
Transfer to Medicaid Fund	327,750	327,750	327,750	-
Transfer to Point2point Fund	280,655	280,655	280,655	-
Transfer to Capital Projects Fund	9,123,845	9,123,845	9,123,845	-
Transfer to Reserve Fund	11,011,740	11,011,740	10,348,740	663,000
Non-operating [1]	25,492,451	25,492,451	22,980,990	2,511,461
Total expenditures and other uses	82,293,027	82,664,942	79,439,016	3,225,926
Excess (deficiency) of revenues over expenditures	(10,149,729)	(10,521,644)	(1,122,432)	9,399,212
Fund balance, beginning of year	36,546,728	36,546,728	36,546,728	-
Fund balance, end of year	\$ 26,396,999	\$ 26,025,084	\$ 35,424,296	\$ 9,399,212

[1] Legal level of appropriation

Lane Transit District

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a Non-GAAP Budget Basis – Point2point Fund
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal assistance	\$ 363,407	\$ 363,407	\$ 165,356	\$ (198,051)
Other sources				
Beginning Working Capital Utilized	(109,062)	(109,062)	-	109,062
Transfer from General Fund	280,655	280,655	280,655	-
Total revenues	<u>535,000</u>	<u>535,000</u>	<u>446,011</u>	<u>(88,989)</u>
Expenditures				
Point2Point Administration	100,000	100,000	77,290	22,710
Safe Routes to School		-	148,532	(148,532)
Vanpool	130,000	130,000	61,935	68,065
Projects:				
Safe Routes to School Regional	150,000	150,000	-	150,000
Safe Routes to School Bike Ped Safety Program	55,000	55,000	-	55,000
SmartTrips	100,000	100,000	1,634	98,366
Transit Services [1]	<u>535,000</u>	<u>535,000</u>	<u>289,391</u>	<u>245,609</u>
Total expenditures and other uses	<u>535,000</u>	<u>535,000</u>	<u>289,391</u>	<u>245,609</u>
Excess of revenues over expenditures	-	-	156,620	156,620
Fund balance, beginning of year	140,669	140,669	140,669	-
Fund balance, end of year	<u>\$ 140,669</u>	<u>\$ 140,669</u>	<u>\$ 297,289</u>	<u>\$ 156,620</u>

[1] Legal level of appropriation

Lane Transit District

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a Non-GAAP Budget
Basis – Specialized Services Fund
Year Ended June 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Passenger fares	\$ 286,443	\$ 286,443	\$ 306,550	\$ 20,107
Federal assistance	3,737,043	3,737,043	1,160,244	(2,576,799)
State assistance	4,626,264	4,626,264	2,100,850	(2,525,414)
Local assistance	171,184	171,184	267,214	96,030
Miscellaneous	-	-	50	50
Other sources				
Transfer from General Fund	4,748,461	4,748,461	2,900,000	(1,848,461)
Total revenues	13,569,395	13,569,395	6,734,908	(6,834,487)
Expenditures				
Eugene-Springfield services				
ADA RideSource	5,045,000	5,045,000	4,478,518	566,482
Transit training and hosts	173,258	173,258	13,780	159,478
Mental health transportation	115,532	115,532	103,186	12,346
Preschool Transportation	123,580	123,580	-	123,580
DD53 Transportation	3,250,000	3,250,000	-	3,250,000
Total Eugene-Springfield services	8,707,370	8,707,370	4,595,484	4,111,886
Rural Lane County services				
South Lane	156,600	156,600	143,107	13,493
Oakridge	362,884	362,884	285,119	77,765
Florence	656,084	656,084	213,866	442,218
Volunteer coordination	172,883	172,883	76,326	96,557
Total rural Lane County services	1,348,451	1,348,451	718,418	630,033
Other services				
Mobility management	127,906	127,906	111,615	16,291
Crucial connections	7,500	7,500	4,785	2,715
Veterans transportation	12,500	12,500	1,946	10,554
Total other services	147,906	147,906	118,346	29,560
Statewide Transportation Improvement				
Cottage Grove MOD	490,000	490,000	-	490,000
Enhance Lane-Douglas connector	260,000	260,000	-	260,000
Fare collection integration	197,866	197,866	-	197,866
Florence/Eugene connector	37,500	37,500	-	37,500
Forence/Yachats	103,925	103,925	-	103,925
Oakridge STIF Expansion	36,930	36,930	-	36,930
Mobility management plan	53,451	53,451	-	53,451
Pilot MOD service	313,987	313,987	-	313,987
STIF transit demand plan	593,850	593,850	6,315	587,535
STIF grant administration	-	-	1,240,381	(1,240,381)
RideSource shopper expansion	388,559	388,559	-	388,559
Mobile wallet	300,000	300,000	-	300,000
Cottage Grove Discretionary	450,000	450,000	-	450,000
CG and Creswell ADA Paratransit Expansion	139,600	139,600	-	139,600
Total Statewide Transportation Improvement	3,365,668	3,365,668	1,246,696	2,118,972
Transit Services [1]	13,569,395	13,569,395	6,678,944	6,890,451
Excess of revenues over expenditures	-	-	55,964	55,964
Fund balance, beginning of year	2,408,252	2,408,252	2,408,252	-
Fund balance, end of year	\$ 2,408,252	\$ 2,408,252	\$ 2,464,216	\$ 55,964

[1] Legal level of appropriation

Lane Transit District

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a Non-GAAP Budget
Basis – Medicaid Fund
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Medicaid medical services	\$ 14,073,870	\$ 14,073,870	\$ 12,162,620	\$ (1,911,250)
Medicaid waived transportation	1,321,975	1,321,975	-	(1,321,975)
Other sources				
Transfer from General Fund	327,750	327,750	327,750	-
Total revenues and other sources	15,723,595	15,723,595	12,490,370	(3,233,225)
Expenditures				
Medicaid nonemergency medical transportation (NEMT)				
Services	10,240,000	10,240,000	9,255,401	984,599
Mobility management	108,000	108,000	134,363	(26,363)
Program administration	3,275,850	3,275,850	2,842,999	432,851
Total Medicaid NEMT	13,623,850	13,623,850	12,232,763	1,391,087
Medicaid waived transportation				
Services	880,000	880,000	731,146	148,854
Mobility management	41,975	41,975	6,704	35,271
Program administration	400,000	400,000	8,126	391,874
Grant program match requirements	327,750	327,750	-	327,750
Total Medicaid waived transportation	1,649,725	1,649,725	745,976	903,749
Transit Services [1]	15,273,575	15,273,575	12,978,739	2,294,836
Excess of revenues over expenditures	450,020	450,020	(488,369)	(938,389)
Fund balance, beginning of year	-	-	996,433	996,433
Fund balance, end of year	\$ 450,020	\$ 450,020	\$ 508,064	\$ 58,044

[1] Legal level of appropriation

Lane Transit District

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a Non-GAAP Budget
Basis – Capital Projects Fund
Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Federal assistance	\$ 32,416,327	\$ 32,416,327	\$ 18,074,931	\$ (14,341,396)
State assistance	8,508,800	8,508,800	4,617,622	(3,891,178)
Other sources				
Transfer from General Fund	9,123,845	9,123,845	9,123,845	-
Total revenues and other sources	50,048,972	50,048,972	31,816,398	(18,232,574)
Expenditures				
Community Investments:				
Frequent transit network				
Franklin Blvd Transformation	2,500,000	2,500,000	-	2,500,000
MovingAhead	171,480	171,480	384	171,096
West Eugene EmX Extension	-	-	3,240	(3,240)
Main Street/McVay transit study	60,000	60,000	-	60,000
Planning studies	770,000	770,000	146,244	623,756
Total frequent transit network	3,501,480	3,501,480	149,868	3,351,612
Facilities				
Alternative Fuels Infrastructure	3,000,000	3,000,000	-	3,000,000
OCC/Training/Lounge	1,400,000	1,400,000	-	1,400,000
Eugene station modifications	500,000	500,000	363,917	136,083
Passenger Boarding Improvements	200,000	200,000	141,316	58,684
Total facilities	5,100,000	5,100,000	505,233	4,594,767
Technology Infrastructure & Systems				
Novus modules	-	-	203,506	(203,506)
STIF Mobile Wallet/Trip Planner (MaaS)	470,000	470,000	-	470,000
EmX electronic sign management system	900,000	900,000	-	900,000
Website	450,000	450,000	-	450,000
Fare collection integration	75,000	75,000	-	75,000
Total technology infrastructure & systems	1,895,000	1,895,000	203,506	1,691,494
Safety & Security				
FTN safety and amenity improvements	1,920,000	1,920,000	714,849	1,205,151
System security improvements	725,000	725,000	-	725,000
Total safety and security	2,645,000	2,645,000	714,849	1,930,151
Total Community Investments	13,141,480	13,141,480	1,573,456	11,568,024
State of Good Repair				
Fleet				
Ten Yr.-Fixed Route fleet replacement	24,745,000	24,745,000	16,965,646	7,779,354
Ten-Year Non-revenue fleet	407,800	407,800	284,235	123,565
Ten Yr. Spec Svc fleet replacement	1,840,000	1,840,000	-	1,840,000
Major Bus Components	1,193,172	1,193,172	-	1,193,172
Fleet procurement plan	-	-	105,659	(105,659)
Total fleet	28,185,972	28,185,972	17,355,540	10,830,432

Continued on next page

Lane Transit District

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on a Non-GAAP Budget
Basis – Capital Projects Fund
Year Ended June 30, 2023

Facilities				
Training facility	-	-	404,504	(404,504)
Glenwood Petroleum Fuel Systems Improvement	100,000	100,000	-	100,000
Bus wash replacement	850,000	850,000	688,083	161,917
Stations, shelters & facilities	500,000	500,000	463,795	36,205
Total facilities	1,450,000	1,450,000	1,556,382	(106,382)
Technology Infrastructure & Systems				
Computer hardware and software	6,456,520	6,456,520	110,624	6,345,896
Scheduling software	-	-	20,619	(20,619)
Administrative software	-	-	2,429	(2,429)
CAD/AVL	-	-	1,412	(1,412)
Data warehouse	-	-	35,812	(35,812)
ERP	815,000	815,000	558,268	256,732
Microsoft 365	-	-	8,900	(8,900)
Mobile gateways	-	-	1,483	(1,483)
Operations software/Midas replacement	-	-	70,450	(70,450)
Disaster recovery preparedness	-	-	183,766	(183,766)
Total technology infrastructure & systems	7,271,520	7,271,520	993,763	6,277,757
Safety & Security				
System security improvements	-	-	1,219,439	(1,219,439)
Onboard security systems	-	-	-	-
Total safety and security	-	-	1,219,439	(1,219,439)
Total State of Good Repair	36,907,492	36,907,492	21,125,124	15,924,955
Transit Investments [1]	50,048,972	50,048,972	22,698,580	27,492,979
Other uses				
Operating contingency	-	-	551,181	(551,181)
Reserve for future expenditure	-	-	-	-
Total other uses	-	-	551,181	(551,181)
Total expenditures and other uses	50,048,972	50,048,972	23,249,761	26,941,798
Excess of revenues over expenditures	-	-	8,566,637	8,566,637
Fund balance, beginning of year	24,426,819	24,426,819	24,426,819	-
Fund balance, end of year	\$ 24,426,819	\$ 24,426,819	\$ 32,993,456	\$ 8,566,637

[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
Year Ended June 30, 2023

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, 2023	
Excess of revenues over expenditures	
General Fund	\$ (1,122,432)
Point2point Fund	156,620
Specialized Services Fund	55,964
Medicaid Fund	(488,369)
Capital Projects Fund	8,566,637
Stabilization Fund	10,516,940
	<u>17,685,360</u>
Total excess of revenues over expenditures	<u>17,685,360</u>
Reconciling items:	
Depreciation	(17,156,311)
Acquisition of capital assets	25,392,040
OPEB expense	(294,726)
Pension expense in excess of pension contribution	(25,115)
Accrued vacation and sick leave	(268,700)
Other reconciling items	(1,373,950)
	<u>6,273,238</u>
Total reconciling items	<u>6,273,238</u>
Change in net position on a GAAP basis	<u><u>\$ 23,958,598</u></u>

Lane Transit District Reconciliation of Budgetary Fund Balances to Net Position on a GAAP Basis June 30, 2023	
Budgetary fund balances:	
General Fund	\$ 35,424,296
Point2point Fund	297,289
Specialized Services Fund	2,464,216
Medicaid Fund	508,064
Capital Projects Fund	32,993,456
Stabilization Fund	10,516,940
	<u>82,204,261</u>
Total budgetary fund balances	<u>82,204,261</u>
Reconciling items:	
Capital assets	163,281,173
Deferred outflows of resources	9,769,236
Compensated absences	(3,038,509)
Total OPEB liability	(12,694,926)
Net pension liability	(23,543,972)
Deferred inflows of resources	(4,119,807)
Other reconciling items	(2,014,504)
	<u>127,638,691</u>
Total reconciling items	<u>127,638,691</u>
Net position on a GAAP basis	<u><u>\$ 209,842,952</u></u>

Lane Transit District
Combining Statements of Fiduciary Net Position
Year Ended June 30, 2023

	<u>Salaried Pension Plan</u> <u>As of June 30, 2023</u>	<u>ATU Pension Plan</u> <u>As of December 31, 2022</u>	<u>Total Fiduciary</u> <u>As of June 30, 2023</u>
Assets			
Cash			
Cash and cash equivalents	\$ 158,029	\$ 533,069	\$ 691,098
Investments			
Shares of registered investment companies	22,974,479	35,768,058	58,742,537
Accounts receivable	-	984	984
Total Assets	<u>23,132,508</u>	<u>36,302,111</u>	<u>59,434,619</u>
Liabilities			
Accrued expenses	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position - Restricted for Pension	<u>\$ 23,132,508</u>	<u>\$ 36,302,111</u>	<u>\$ 59,434,619</u>
	<u>Salaried Pension Plan</u> <u>As of June 30, 2022</u>	<u>ATU Pension Plan</u> <u>As of December 31, 2021</u>	<u>Total Fiduciary</u> <u>As of June 30, 2022</u>
Assets			
Cash			
Cash and cash equivalents	\$ 623,054	\$ 898,654	\$ 1,521,708
Investments			
Shares of registered investment companies	21,330,111	41,296,314	62,626,425
Accounts receivable	-	-	-
Total Assets	<u>21,953,165</u>	<u>42,194,968</u>	<u>64,148,133</u>
Liabilities			
Accrued expenses	8,799	-	8,799
Total Liabilities	<u>8,799</u>	<u>-</u>	<u>8,799</u>
Fiduciary Net Position - Restricted for Pension	<u>\$ 21,944,366</u>	<u>\$ 42,194,968</u>	<u>\$ 64,139,334</u>

Lane Transit District
Combining Statements of Changes in Fiduciary Net Position
Year Ended June 30, 2023

	Salaried Pension Plan For the Year Ended June 30, 2023	ATU Pension Plan For the Year Ended December 31, 2022	Total Fiduciary For the Year Ended June 30, 2023
Additions			
Employer contributions	\$ 1,573,367	\$ 3,657,315	\$ 5,230,682
Net change in fair value of investments	1,204,144	(7,427,526)	(6,223,382)
Interest, dividends and other income	604,697	1,171,081	1,775,778
Investment expenses	(54,198)	(70,811)	(125,009)
Net investment income	1,754,643	(6,327,256)	(4,572,613)
Total Additions	3,328,010	(2,669,941)	658,069
Deductions			
Benefits paid to participants	2,073,846	3,100,201	5,174,047
Administrative expenses	66,022	122,715	188,737
Total deductions	2,139,868	3,222,916	5,362,784
Net increase in fiduciary net position	1,188,142	(5,892,857)	(4,704,715)
Fiduciary Net Position, Beginning of the year	21,944,366	42,194,968	64,139,334
Fiduciary Net Position, End of the year	<u>\$ 23,132,508</u>	<u>\$ 36,302,111</u>	<u>\$ 59,434,619</u>
	Salaried Pension Plan For the Year Ended June 30, 2022	ATU Pension Plan For the Year Ended December 31, 2021	Total Fiduciary For the Year Ended June 30, 2022
Additions			
Employer contributions	\$ 1,576,101	\$ 3,632,718	\$ 5,208,819
Net change in fair value of investments	(4,018,087)	3,093,800	(924,287)
Interest, dividends and other income	706,770	1,067,276	1,774,046
Investment expenses	(58,757)	(53,001)	(111,758)
Net investment income	(3,370,074)	4,108,075	738,001
Total Additions	(1,793,973)	5,946,820	5,946,820
Deductions			
Benefits paid to participants	1,835,050	3,003,121	4,838,171
Administrative expenses	47,370	81,156	128,526
Total deductions	1,882,420	3,084,277	4,966,697
Net increase in fiduciary net position	(3,676,393)	4,656,516	980,123
Fiduciary Net Position, Beginning of the year	25,620,759	37,538,452	63,159,211
Fiduciary Net Position, End of the year	<u>\$ 21,944,366</u>	<u>\$ 42,194,968</u>	<u>\$ 64,139,334</u>



Statistical
June 30, 2023

Lane Transit District

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.

Lane Transit District
Comparative Statements of Net Position
Last Ten Years at June 30

	2023	Restated 2022	Restated 2021	Restated 2020	2019	Restated 2018	2017	2016	2015	Restated 2014
Assets										
Current assets	\$ 112,914,719	\$ 85,390,621	\$ 54,247,709	\$ 44,174,300	\$ 38,916,289	\$ 39,716,401	\$ 33,622,720	\$ 53,537,565	\$ 56,639,732	\$ 41,747,999
Capital assets, net of accumulated depreciation	163,281,173	154,313,187	165,243,367	158,549,761	162,507,251	176,573,417	182,179,014	160,464,158	125,447,247	113,337,904
Total assets	276,195,892	239,703,808	219,491,076	202,724,061	201,423,540	216,289,818	215,801,734	214,001,723	182,086,979	155,085,903
Deferred outflows of resources	9,769,236	7,550,226	7,613,208	4,665,520	6,301,745	3,425,274	5,235,429	6,267,714	1,540,509	1,693,168
Total assets and deferred outflows of resources	\$ 285,965,128	\$ 247,254,034	\$ 227,104,284	\$ 207,389,581	\$ 207,725,285	\$ 219,715,092	\$ 221,037,163	\$ 220,269,437	\$ 183,627,488	\$ 156,779,071
Liabilities										
Current liabilities	\$ 32,289,007	\$ 21,755,856	\$ 14,996,365	\$ 11,741,277	\$ 5,932,870	\$ 8,635,621	\$ 9,017,767	\$ 17,233,164	\$ 22,159,541	\$ 10,036,528
Noncurrent liabilities	39,713,362	34,139,771	32,584,389	35,558,933	37,147,793	30,336,335	28,793,940	29,591,803	23,454,799	22,635,145
Total liabilities	72,002,369	55,895,627	47,580,754	47,300,210	43,080,663	38,971,956	37,811,707	46,824,967	45,614,340	32,671,673
Deferred outflows of resources	4,119,807	6,206,311	8,115,917	2,538,142	1,181,933	2,236,492	696,930	351,796	712,072	1,784,272
Net position										
Investment in capital assets	162,005,567	154,404,890	165,243,367	158,549,761	162,507,251	176,573,417	182,179,014	160,464,159	125,447,247	113,337,904
Restricted for Accessible Services, Point2point and Medicaid programs	12,751,572	4,022,920	11,552,594	5,946,354	579,853	1,792,304	38,863	2,775,776	440,273	398,255
Unrestricted	35,085,813	27,456,544	(5,388,348)	(6,944,886)	375,585	140,923	310,649	9,852,739	11,413,556	8,586,967
Total net position	209,842,952	185,884,354	171,407,613	157,551,229	163,462,689	178,506,644	182,528,526	173,092,674	137,301,076	122,323,126
Total liabilities, deferred inflows of resources and net position	\$ 285,965,128	\$ 247,986,292	\$ 227,104,284	\$ 207,389,581	\$ 207,725,285	\$ 219,715,092	\$ 221,037,163	\$ 220,269,437	\$ 183,627,488	\$ 156,779,071

Source: Lane Transit District Financial Statements

Lane Transit District
Changes in Net Position
Last Ten Years Ended June 30

	2023	Restated 2022	Restated 2021	Restated 2020	2019	Restated 2018	2017	2016	2015	Restated 2014
Operations										
Fixed route										
Revenue	\$ 4,712,848	\$ 3,830,049	\$ 1,051,890	\$ 5,097,392	\$ 7,344,209	\$ 7,338,415	\$ 7,921,433	\$ 7,807,665	\$ 7,893,869	\$ 7,733,140
Expense	(52,021,080)	(47,734,710)	(42,631,097)	(46,917,260)	(48,814,789)	(45,931,894)	(47,650,802)	(40,932,868)	(38,541,017)	(36,660,628)
Total fixed route	(47,308,232)	(43,904,661)	(41,579,207)	(41,819,868)	(41,470,580)	(38,593,479)	(39,729,369)	(33,125,203)	(30,647,148)	(28,927,488)
Accessible Services, Point2point and Medicaid										
Revenue	12,162,620	13,978,068	11,579,378	15,825,212	16,244,867	14,115,229	12,572,295	14,115,352	13,173,252	9,857,780
Expense	(19,947,074)	(16,008,711)	(12,843,940)	(16,922,825)	(18,697,692)	(17,118,488)	(15,482,280)	(16,768,307)	(14,617,685)	(12,314,118)
Total Accessible Services, Point2point and Medicaid	(7,784,454)	(2,030,643)	(1,264,562)	(1,097,613)	(2,452,825)	(3,003,259)	(2,909,985)	(2,652,955)	(1,444,433)	(2,456,338)
Loss from operations	(55,092,686)	(45,935,304)	(42,843,769)	(42,917,481)	(43,923,405)	(41,596,738)	(42,639,354)	(35,778,158)	(32,091,581)	(31,383,826)
Nonoperating revenues										
Employer payroll tax	49,019,822	47,048,331	42,081,318	39,842,212	37,749,489	35,797,722	32,827,455	34,394,558	30,981,560	25,374,737
Self-employment tax	2,434,645	2,323,671	2,203,730	2,017,855	1,932,829	2,072,662	1,983,365	1,902,866	1,683,987	1,647,329
State payroll assessment	521,887	646,016	589,303	555,192	439,545	439,600	411,860	400,795	609,978	1,914,665
Federal assistance	19,665,451	17,974,451	11,643,403	3,445,027	2,487,542	2,825,907	-	4,736,708	6,001,519	5,993,929
State assistance	-	-	-	-	-	-	115,475	154,426	29,688	723,888
Interest	1,573,637	181,836	154,305	310,904	338,244	167,305	201,295	99,207	52,359	85,619
Other revenues	388,294	426,206	228,207	401,279	639,391	166,934	349,986	400,494	433,787	366,327
Total nonoperating revenues	73,603,736	68,600,511	56,900,266	46,572,469	43,587,040	41,470,130	35,889,436	42,089,054	39,792,878	36,106,494
Income (loss) before capital contributions	18,511,050	22,665,207	14,056,497	3,654,988	(336,365)	(126,608)	(6,749,918)	6,310,896	7,701,297	4,722,668
Capital contributions										
Federal and state grants for capital acquisition	22,692,553	8,115,972	16,288,091	12,340,911	3,638,471	17,530,013	27,832,523	40,998,913	18,893,678	8,564,456
Changes in net position before depreciation, OPEB expense, and gain (loss) on sale of assets	41,203,603	30,781,179	30,344,588	15,995,899	3,302,106	17,403,405	21,082,606	47,309,808	26,594,975	13,287,124
Depreciation	(17,156,311)	(15,383,574)	(15,727,034)	(14,005,049)	(16,192,571)	(15,613,426)	(11,331,319)	(11,129,702)	(11,152,433)	(10,519,936)
OPEB expense	-	(699,290)	(746,187)	(479,250)	(2,159,635)	247,705	(353,155)	(395,154)	(461,715)	(555,778)
Gain (loss) on disposal of capital assets	(44,347)	(313,277)	(14,983)	-	6,145	(1,075,334)	37,721	6,644	(2,877)	13,052
Changes in net position	\$ 24,002,945	\$ 14,385,038	\$ 13,856,384	\$ 1,511,600	\$ (15,043,955)	\$ 962,350	\$ 9,435,853	\$ 35,791,596	\$ 14,977,950	\$ 2,224,462

Source: Lane Transit District Financial Statements

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

Employer	2023			2014		
	Employees ³	Rank	Percentage of Lane County Employment	Employees ³	Rank	Percentage of Lane County Employment
PeaceHealth Oregon	5,347	1	3.4%	5,500	1	3.7%
University of Oregon	5,336	2	3.4%	5,356 ²	2	3.6%
Eugene 4J School District	2,598	3	1.7%	1,138	9	0.8%
Lane County Government	1,903	4	1.2%	1,255	7	0.8%
City of Eugene	1,864	5	1.2%	1,301	6	0.9%
U.S. Government	1,850	6	1.2%	1,558	3	1.1%
Oregon State Government	1,743	7	1.1%	1,156	8	0.8%
Springfield School District	1,570	8	1.0%	1,306	5	0.9%
Lane Community College	1,024	9	0.7%	1,128	10	0.8%
Lane County School District #52	962	10	0.6%	N/A	N/A	N/A
	24,197		15.57%	21,127		14.2%
Total Employees	155,378			148,300 ²		

¹Per Bureau of Labor Statistics, total covered employment as of Dec 2023.

²Per Qualityinfo.org - Employed Level - Monthly Data (January).

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

Source: Oregon Employment Department

Lane Transit District
Demographic and Economic Statistics
Last Ten Years

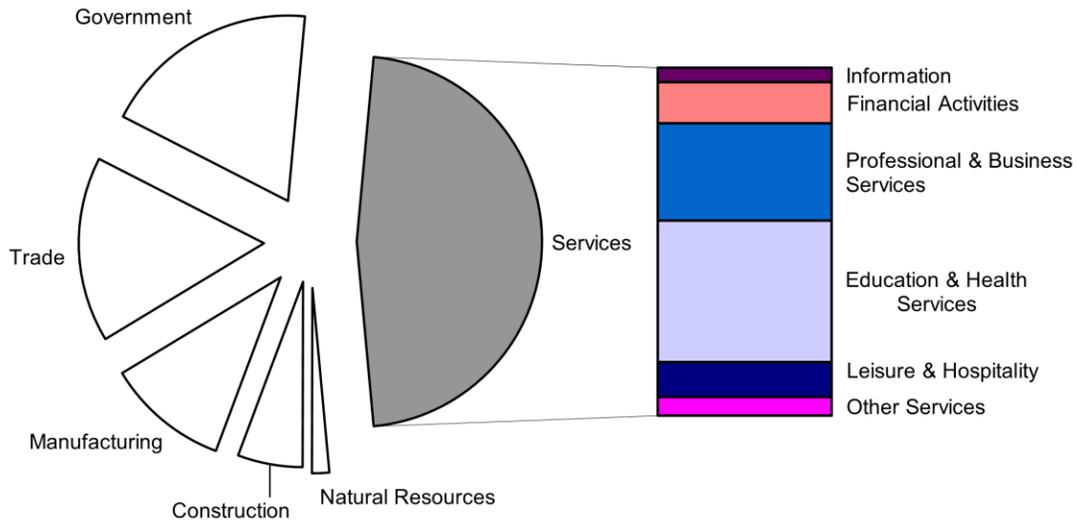
Fiscal Year	Lane Transit District Population (a)	Lane County, Oregon			
		Population (b)	Personal Income (,000) (c)	Per Capita Income (c)	Unemployment Rate (d)
2013	298,300	356,212	13,047,961	36,630	8.1%
2014	300,000	358,805	13,575,594	37,867	7.0%
2015	302,200	362,600	14,597,955	40,259	6.1%
2016	305,350	369,519	15,160,278	41,027	5.5%
2017	311,395	374,748	16,275,162	43,430	4.0%
2018	314,500	379,611	17,431,415	45,919	4.3%
2019	316,600	382,067	18,087,217	47,340	4.2%
2020	317,600	382,986	18,989,468	49,583	10.7%
2021	318,700	383,189	21,131,525	55,146	5.5%
2022	325,700	383,958	21,483,599	56,188	4.3%

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

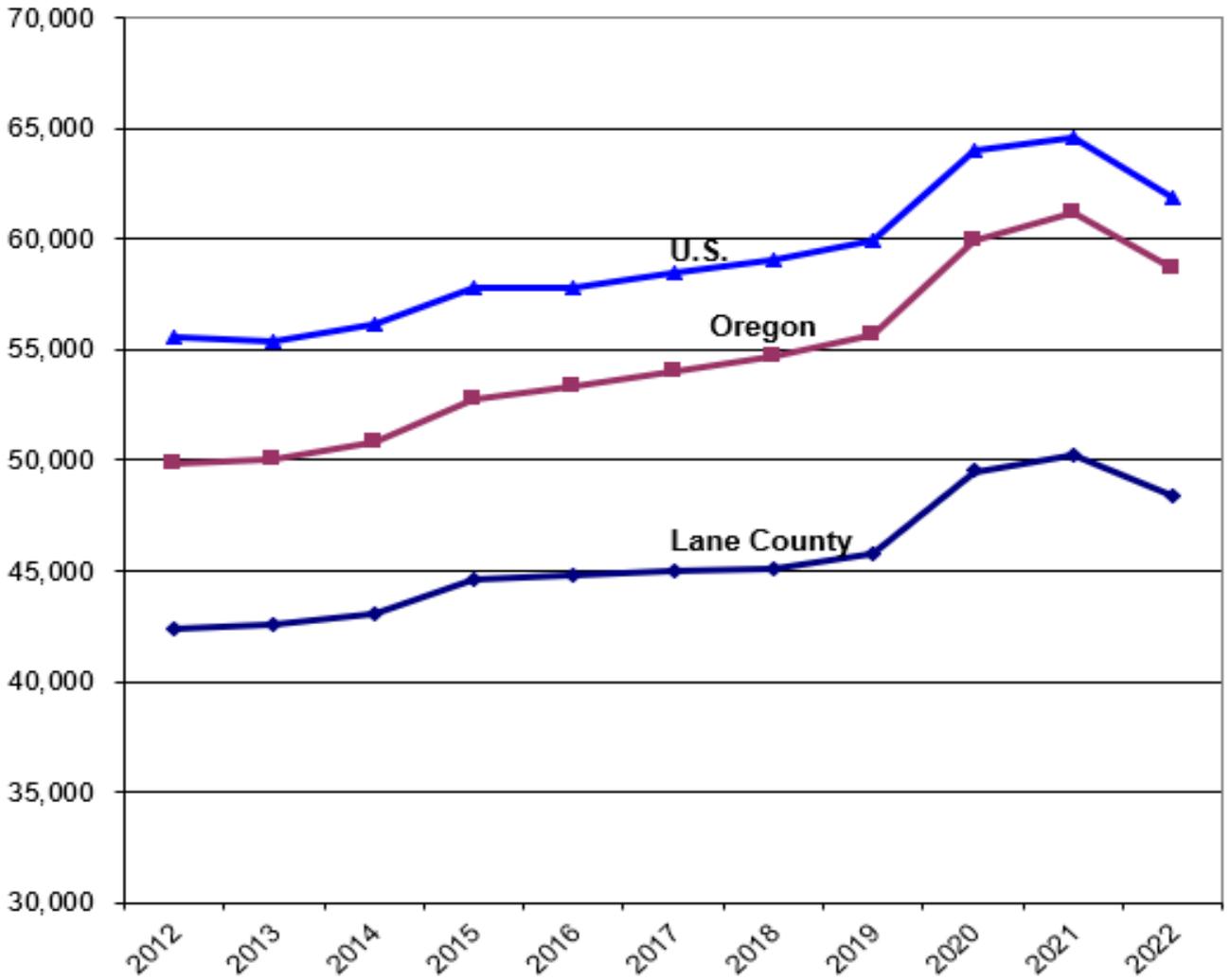
- b. Oregon Employment Department and the Population Research Center at Portland State University.
- c. Bureau of Economic Analysis, U.S. Department of Commerce.
- d. Bureau of Labor Statistics, U.S. Department of Labor. Rates presented are annualized for the calendar year.



**2022 Covered Employment and Wages
Summary Report for Lane County**

	Covered Employment			Covered Payroll		Average Pay
	Units	Count	Percent	Total in Millions	Percent	
Natural resources and mining	309	2,475	1.6%	\$ 127	1.5%	\$ 51,192
Construction	1,228	7,701	5.0%	\$ 478	5.7%	\$ 62,030
Manufacturing	578	14,685	9.5%	\$ 900	10.7%	\$ 61,312
Trade, transportation and utilities	2,026	29,681	19.2%	\$ 1,366	16.2%	\$ 46,016
Service						
Information	356	1,921	1.2%	\$ 168	2.0%	\$ 87,440
Financial activities	1,188	6,868	4.4%	\$ 468	5.5%	\$ 68,203
Professional and business services	2,035	17,805	11.5%	\$ 1,113	13.2%	\$ 62,491
Education and health services	2,850	27,439	17.8%	\$ 1,616	19.1%	\$ 58,907
Leisure and hospitality	1,198	16,789	10.9%	\$ 402	4.8%	\$ 23,925
Other services	1,204	4,862	3.1%	\$ 189	2.2%	\$ 38,910
Total Service	8,831	75,684	49.0%	\$ 3,956	46.8%	\$ 52,273
Unclassified	666	336		\$ 21	0.2%	\$ 62,413
Total all government	438	23,987	15.5%	\$ 1,600	18.9%	\$ 66,695
Total 2022 Covered Employment	14,076	154,549	100%	\$ 8,448	100.0%	\$ 54,660

Source: Oregon Employment Department



Source: Oregon Employment Department

Lane Transit District
Eugene-Springfield Metropolitan Statistical Area (Lane County) Economic Data Sheet

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2012-2022	
												Change:	% Change
Total population	354,200	356,125	358,805	362,150	365,940	370,600	375,120	378,880	381,365	383,677	383,958	29,758	8.4%
Births minus Deaths													
Net Migration													
Civilian labor force	173,244	168,771	170,318	172,635	178,047	180,766	180,495	181,067	178,467	180,126	183,397	10,153	5.9%
Unemployment	15,416	13,346	11,546	9,790	8,902	7,911	7,840	7,227	14,103	11,096	8,373	(7,043)	-45.7%
Unemployment rate	8.9%	7.9%	6.8%	5.7%	5.0%	4.4%	4.3%	4.0%	7.9%	6.1%	4.6%	(0)	
Total employment	157,828	155,425	158,772	162,845	169,145	172,855	172,655	173,840	164,364	169,539	175,024	17,196	10.9%
Total nonfarm employment	142,900	144,800	148,400	153,100	157,600	160,600	163,100	164,400	152,100	155,900	160,600	17,700	12.4%
Labor-management disputants	0	0	0	0	0	0	0	0	0	0	25	25	
Percent annual change	0.8%	1.3%	2.5%	3.2%	2.9%	1.9%	1.6%	0.8%	-7.5%	2.5%	3.1%	2.3%	
Total personal income (millions)	\$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	\$21,131	\$0	(12,796)	-100.0%
Percent annual change	4.7%	0.4%	6.6%	7.1%	4.6%	6.1%	4.6%	3.1%	8.1%	11%	(0)	(0)	-100.0%
Per capita personal income - Lane County	\$36,022	\$36,129	\$38,226	\$40,487	\$41,557	\$43,317	\$44,957	\$45,960	\$49,583	\$55,146		(36,022)	-100.0%
Per capita personal income - Oregon	\$39,370	\$39,787	\$42,133	\$44,693	\$45,998	\$47,982	\$50,535	\$52,462	\$56,312	\$61,596		(39,370)	-100.0%
Per capita personal income - U.S.	\$44,614	\$44,894	\$47,017	\$48,891	\$49,812	\$51,811	\$54,098	\$56,047	\$59,510	\$64,143		(44,614)	-100.0%
As percent of Oregon	91%	91%	91%	91%	90%	90%	89%	88%	88%	90%		(1)	
As percent of U.S.	81%	80%	81%	83%	83%	84%	83%	82%	83%	86%		(1)	
Total covered payroll (millions)	\$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	\$7,920.9	\$8,447.6	3,299	64.1%
Percent annual change	3.2%	3.3%	5.0%	7.3%	5.0%	4.9%	4.1%	4.1%	2.2%	8.5%	6.6%	3%	
Average annual wage - Lane County	\$37,616	\$38,351	\$39,371	\$40,829	\$41,534	\$42,644	\$43,783	\$45,199	\$49,503	\$52,596	\$54,661	17,045	45.3%
Average annual wage - Oregon	\$44,229	\$45,008	\$46,516	\$48,322	\$49,467	\$51,117	\$53,053	\$55,019	\$59,927	\$64,018	\$66,342	22,113	50.0%
Average annual wage - U.S.	\$49,289	\$49,808	\$51,364	\$52,942	\$53,621	\$55,390	\$57,266	\$59,209	\$64,021	\$67,610	\$69,986	20,697	42.0%
As percent of Oregon	85%	85%	85%	84%	84%	83%	83%	82%	83%	82%	82%	82%	-2.7%
As percent of U.S.	76%	77%	77%	77%	77%	77%	76%	76%	77%	78%	78%	1.8%	
Inflation adjusted wages and income (2002 Dollars)													
CPI-U; U.S. city average	229.594	232.957	236.736	237.017	240.007	245.12	251.107	255.657	258.811	270.97	292.655	63	27.5%
Blow-up factor; 2019 = 100	1.1273	1.1110	1.0932	1.0920	1.0783	1.0559	1.0307	1.0123	1.0000	0.9551	0.8844	(0)	
Inflation adjusted total covered payroll (millions)	\$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	\$7,570.0	\$7,470.0	1,670	28.8%
Percent annual change	1.0%	1.9%	3.2%	7.2%	3.7%	2.7%	1.6%	2.3%	1.0%	3.7%	-1.3%	-2.3%	
Inflation adjusted average annual wage - Lane County	\$42,400	\$42,610	\$43,040	\$44,580	\$44,790	\$45,030	\$45,130	\$45,760	\$49,500	\$50,240	\$48,340	5,940	14.0%
Inflation adjusted average annual wage - Oregon	\$49,860	\$50,000	\$50,850	\$52,770	\$53,340	\$53,970	\$54,680	\$55,700	\$59,930	\$61,150	\$58,670	8,810	17.7%
Inflation adjusted average annual wage - U.S.	\$55,560	\$55,340	\$56,150	\$57,810	\$57,820	\$58,480	\$59,020	\$59,940	\$64,020	\$64,580	\$61,890	6,330	11.4%
Inflation adjusted total personal income (millions)	14,423.94	14275.48691	14972.22225	16015.42892	16545.158	17182.73174	17552.56229	17776.16016	18989.468	20383.6573		(14,424)	-100.0%
Inflation adjusted per capita personal income - Lane County	\$40,610	\$40,140	\$41,790	\$44,210	\$44,810	\$45,740	\$46,340	\$46,530	\$49,580	\$52,670		(40,610)	-100.0%
Inflation adjusted per capita personal income - Oregon	\$44,380	\$44,200	\$46,060	\$48,800	\$49,600	\$50,660	\$52,090	\$53,110	\$56,310	\$58,830		(44,380)	-100.0%
Inflation adjusted per capita personal income - U.S.	\$50,290	\$49,880	\$51,400	\$53,390	\$53,710	\$54,700	\$55,760	\$56,740	\$59,510	\$61,260		(50,290)	-100.0%
U.S. personal income vs Lane County	9680	9740	9610	9180	8900	8960	9420	10210	9930	8590	0	(9,680)	-100.0%

Source: Oregon Employment Department

Lane Transit District
Expenditures and Full-Time Equivalent Employees (FTEs) by Organizational Units – Budget Basis
Last Ten Fiscal Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operations										
Transportation	\$24,678,759.37	\$23,362,870	\$20,849,603	\$23,496,971	\$23,817,103	\$24,126,915	\$23,803,818	\$ 21,227,434	\$ 19,006,723	\$ 17,775,567
FTEs at end of period	193.0	192.0	192.0	169.0	232.0	222.0	245.5	203.6	203.6	202.0
Maintenance	\$14,123,204	\$12,107,492	\$10,489,274	\$11,501,372	\$12,276,394	\$11,966,793	\$11,540,571	\$9,976,217	\$9,893,756	\$9,712,732
FTEs at end of period	52.0	50.0	47.0	46.0	56.0	50.0	54.0	52.5	52.5	51.1
Customer Service, Marketing, and Planning	\$3,502,416	\$2,731,040	\$2,286,134	\$2,749,516	\$2,854,091	\$3,264,027	\$4,325,815	\$3,645,111	\$3,284,172	\$3,733,361
FTEs at end of period	22.0	20.0	18.0	19.0	21.0	32.9	33.2	27.9	27.9	22.2
Administration	\$9,532,884	\$8,085,155	\$6,919,019	\$5,929,333	\$6,347,874	\$7,179,980	\$7,154,290	\$4,146,877	\$3,835,509	\$4,406,890
FTEs at end of period	47.0	47.5	33.0	27.0	31.0	35.7	30.7	25.8	25.8	35.0
Insurance and Risk	\$1,380,383.15	\$1,270,429	\$1,788,727	\$1,091,939	\$974,086	\$1,200,016	\$1,058,700	\$941,876	\$1,092,057	\$1,084,682
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	\$22,103,482.80	\$16,008,711	\$12,984,024	\$17,067,824	\$18,697,683	\$16,213,315	\$15,482,279	\$16,768,307	\$14,617,685	\$12,314,118
FTEs at end of period	4.0	3.0	3.0	2.0	8.0	2.6	2.6	2.6	2.6	3.0
Total operations	\$75,321,128.53	\$63,565,697	\$55,316,781	\$61,836,955	\$64,967,231	\$63,951,046	\$63,365,473	\$56,705,822	\$51,729,902	\$49,027,350
Total FTEs at end of period	318.0	312.5	293.0	263.0	348.0	343.2	366.0	312.4	312.4	313.3
Capital Transfers from General Fund	\$9,123,845.00	\$12,420,116	\$5,454,930	\$0	\$0	\$5,273,562	\$18,487,923	\$1,667,600	\$3,351,100	\$1,792,700
Capital Transfers from Specialized Services Fund	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total operations and capital transfers	\$ 84,444,974	\$ 75,985,813	\$ 64,170,924	\$ 61,836,955	\$ 64,967,231	\$ 69,224,608	\$ 81,853,396	\$ 58,373,422	\$ 55,081,002	\$ 50,820,050

Source: Lane Transit Finance Department

Lane Transit District
Capital Asset Statistics
Last Ten Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Miles of busway	15.4	15.4	15.4	15.4	15.4	15.4	15.4	8.45	8.45	8.45
Rolling stock										
40-foot buses	52	52	57	69	78	77	78	73	75	79
40-foot buses (electric)	27	11	11	0	0	0	0	0	0	0
60-foot buses	14	14	19	19	18	18	18	18	24	15
< 40-foot buses	0	0	0	0	0	0	0	0	3	6
EmX vehicles	21	21	21	18	18	18	18	18	11	11
Total rolling stock	114	98	108	106	114	113	114	109	113	111
Accessible Services vehicles	64	66	65	73	77	71	73	88	79	82
Primary stations	2	2	2	2	2	2	2	2	2	2
EmX station platforms	60	60	60	59	59	59	59	31	31	31
Other stations	9	9	9	9	9	9	9	6	9	9
Shelters	186	186	186	186	184	184	183	181	183	193
Signed stops	1137	1137	1137	1137	1137	1137	1,147	1,250	1,233	1,218
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

Source: Lane Transit Finance Department

Lane Transit District
 Operating Revenue & Cost Measurements - Fixed-Route System
 Last Ten Fiscal Years

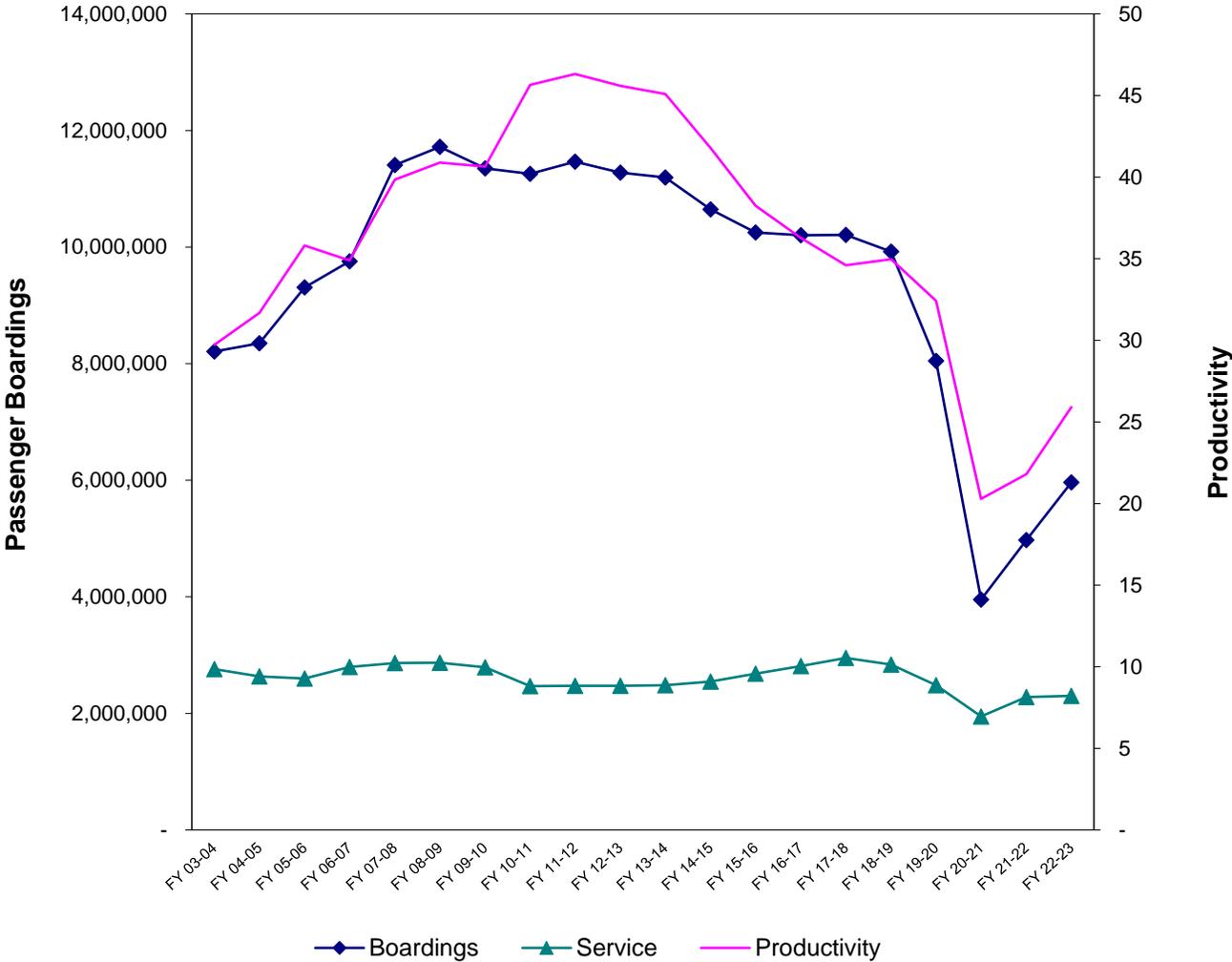
Fiscal Year	Operating* Revenues	Operating* Expenses	Revenue Margin	Revenue Hours	Percent Change	Operating Revenue / Service Hour	Percent Change	Operating Expenses / Revenue Hour	Percent Change
2022-23	4,712,848	52,065,427	9.1%	229,996	18.0%	20.49	279.7%	226.38	4.2%
2021-22	3,830,049	47,557,141	8.1%	228,285	17.1%	16.78	210.9%	208.32	-4.1%
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%

Fiscal Year	Employees	Revenue Hours / Employees	Percent Change	Passenger Fares	Passenger Boardings	Passenger Fares / Boarding	Operating Expenses / Boarding	Percent Change	Revenue Hours / Trip
2022-23	318	723.26	16.9%	4,681,548	5,960,730	0.79	8.73	-17.6%	0.039
2021-22	313	730.51	18.1%	3,798,924	4,975,763	0.76	9.56	-9.9%	0.046
2020-21	315	618.73	-8.8%	775,378	3,991,821	0.19	10.60	90.6%	0.049
2019-20	366	678.11	-16.9%	4,533,611	8,047,918	0.56	5.56	19.3%	0.031
2018-19	348	815.62	-1.9%	6,755,899	9,923,771	0.68	4.66	3.5%	0.029
2017-18	355	831.28	1.1%	6,740,382	10,146,391	0.66	4.51	4.7%	0.029
2016-17	342	822.46	-3.0%	7,242,637	10,203,700	0.71	4.30	12.2%	0.028
2015-16	316	848.13	3.9%	7,141,779	10,250,227	0.70	3.84	10.0%	0.026
2014-15	312	816.60	3.4%	7,200,332	10,644,718	0.68	3.49	6.3%	0.024
2013-14	313	790.05	-1.0%	6,948,609	11,192,854	0.62	3.28	5.3%	0.022

Fiscal Year	Miles	Operating Expenses / Mile	Percent Change	Fleet Maintenance Costs	Fleet Maintenance Cost / Mile	Percent Change	Fuel Cost	Fuel Cost / Mile	Percent Change
2022-23	2,797,717	18.610	9.3%	10825,339	3.869	23.9%	2,461,211	0.880	14.2%
2021-22	2,791,858	17.034	-9.6%	8,717,839	3.123	-17.1%	2,150,895	0.770	124.4%
2020-21	2,245,947	19.933	47.4%	8,461,989	3.768	82.1%	770,973	0.343	-30.1%
2019-20	3,420,369	13.527	15.3%	7,078,508	2.070	28.0%	1,680,022	0.491	-15.2%
2018-19	3,896,512	11.732	-1.4%	6,300,869	1.617	-6.2%	2,256,354	0.579	-5.4%
2017-18	3,688,939	11.899	19.0%	6,358,442	1.724	27.1%	2,258,902	0.612	-1.4%
2016-17	3,930,595	10.001	1.1%	5,328,955	1.356	-10.5%	2,441,661	0.621	11.6%
2015-16	3,750,517	9.895	-4.2%	5,683,792	1.515	-6.1%	2,086,824	0.556	-2.6%
2014-15	3,554,759	10.328	3.9%	5,737,512	1.614	13.6%	2,030,066	0.571	-21.8%
2013-14	3,534,864	9.938	3.0%	5,023,166	1.421	-1.8%	2,580,822	0.730	-9.1%

*Excludes Specialized Services, depreciation, and OPEB expense

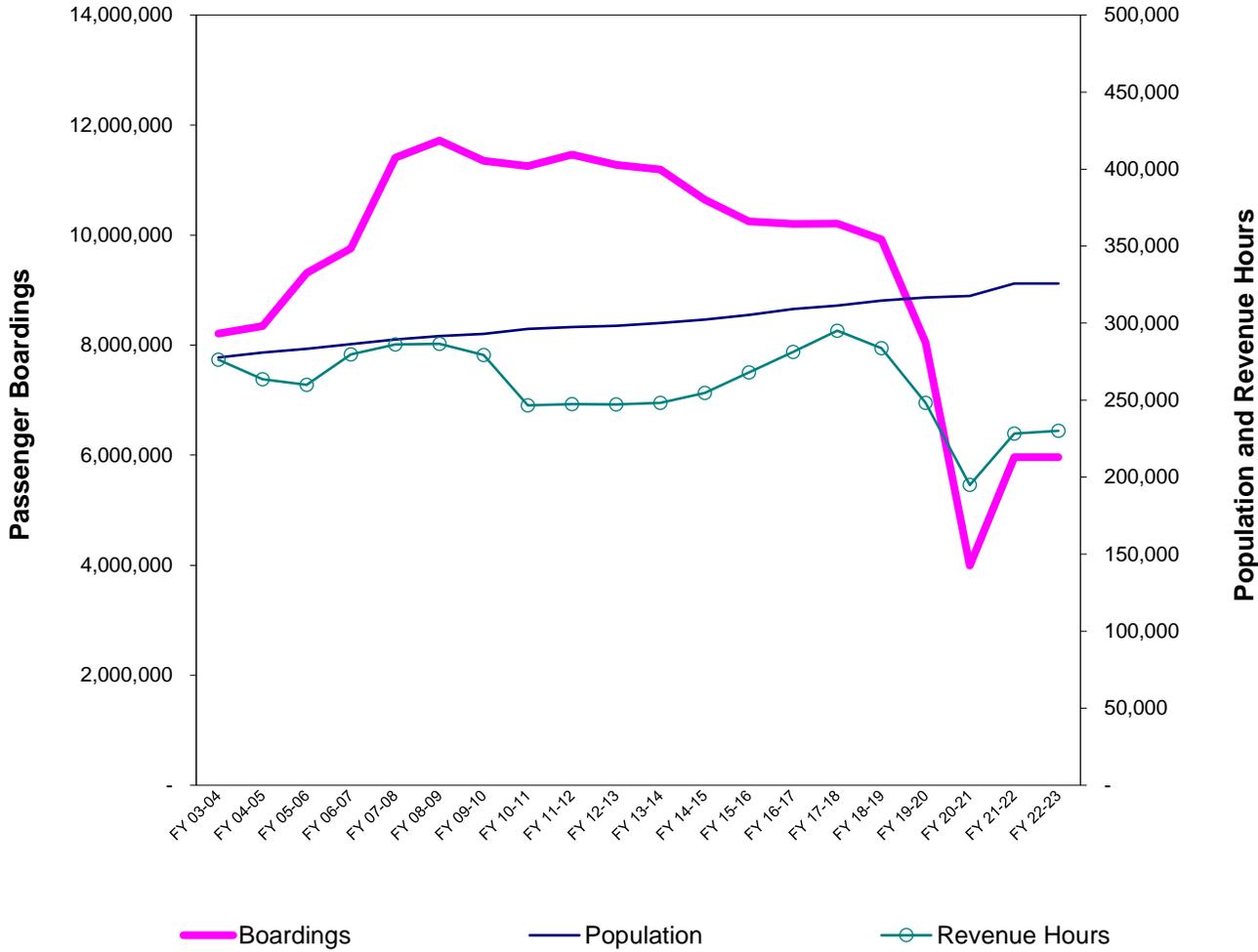
**LANE TRANSIT DISTRICT
 Ridership, Service, and Productivity
 Last Twenty Years**



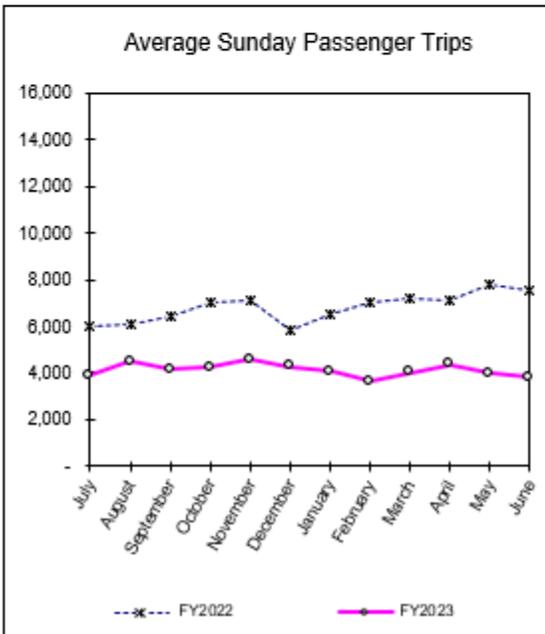
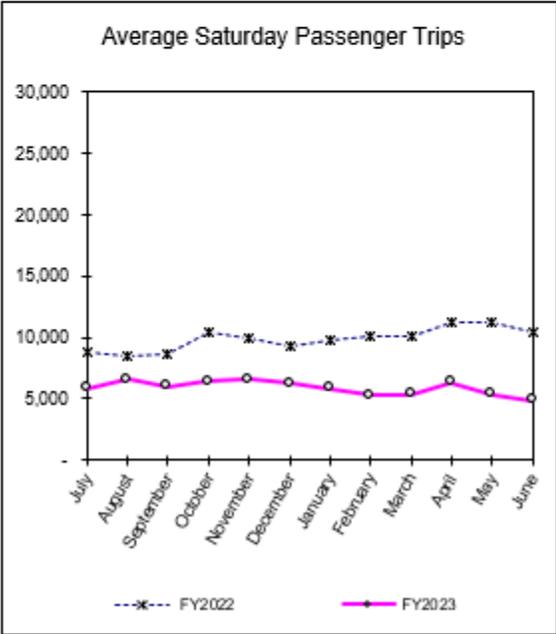
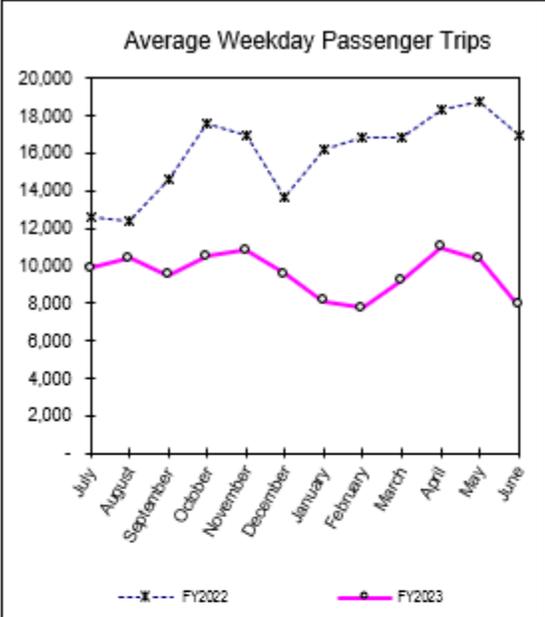
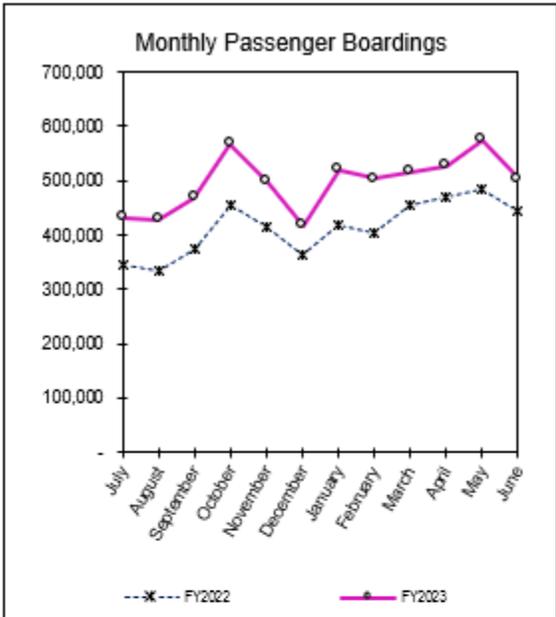
Lane Transit District
Ridership, Fare, Service, and Productivity
Last Twenty Years

Fiscal Year	Revenue Hours	Percent Change	Passenger Boardings	Percent Change	System Productivity	Percent Change	Base Cash Fare
2022-23	229,996	18.0%	5,960,730	49.3%	25.917	26.54%	1.75
2021-22	228,285	17.1%	4,975,763	24.6%	21.796	6.42%	1.75
2020-21	194,899	-21.5%	3,991,821	-50.4%	20.481	-36.84%	1.75
2019-20	248,190	-12.6%	8,047,918	-18.9%	32.426	-7.26%	1.75
2018-19	283,835	-3.8%	9,923,771	-2.8%	34.963	1.04%	1.75
2017-18	295,103	4.9%	10,211,323	0.1%	34.603	-4.61%	1.75
2016-17	281,280	5.0%	10,203,700	-0.5%	36.276	-5.15%	1.75
2015-16	268,010	5.2%	10,250,227	-3.7%	38.246	-8.46%	1.75
2014-15	254,779	2.7%	10,644,718	-4.9%	41.780	-7.36%	1.75
2013-14	248,172	0.4%	11,192,854	-0.7%	45.101	-1.09%	1.75
2012-13	247,303	-0.1%	11,276,282	-1.6%	45.597	-1.56%	1.50
2011-12	247,480	0.4%	11,463,124	1.9%	46.319	1.48%	1.50
2010-11	246,556	-11.7%	11,253,628	-0.8%	45.643	12.30%	1.50
2009-10	279,241	-2.6%	11,349,579	-3.1%	40.644	-0.57%	1.50
2008-09	286,654	0.1%	11,718,189	2.7%	40.879	2.58%	1.25
2007-08	286,226	2.3%	11,406,316	16.9%	39.851	14.22%	1.25
2006-07	279,688	7.6%	9,757,984	4.8%	34.889	-2.57%	1.25
2005-06	259,985	-1.3%	9,309,528	11.5%	35.808	13.04%	1.25
2004-05	263,537	-4.6%	8,348,313	1.7%	31.678	6.60%	1.25
2003-04	276,207	16.1%	8,207,818	0.2%	29.716	-13.67%	1.25
2002-03	237,949	-9.3%	8,190,436	-4.6%	34.421	5.18%	1.25
2001-02	262,242	-4.0%	8,582,138	-0.5%	32.726	3.64%	1.00

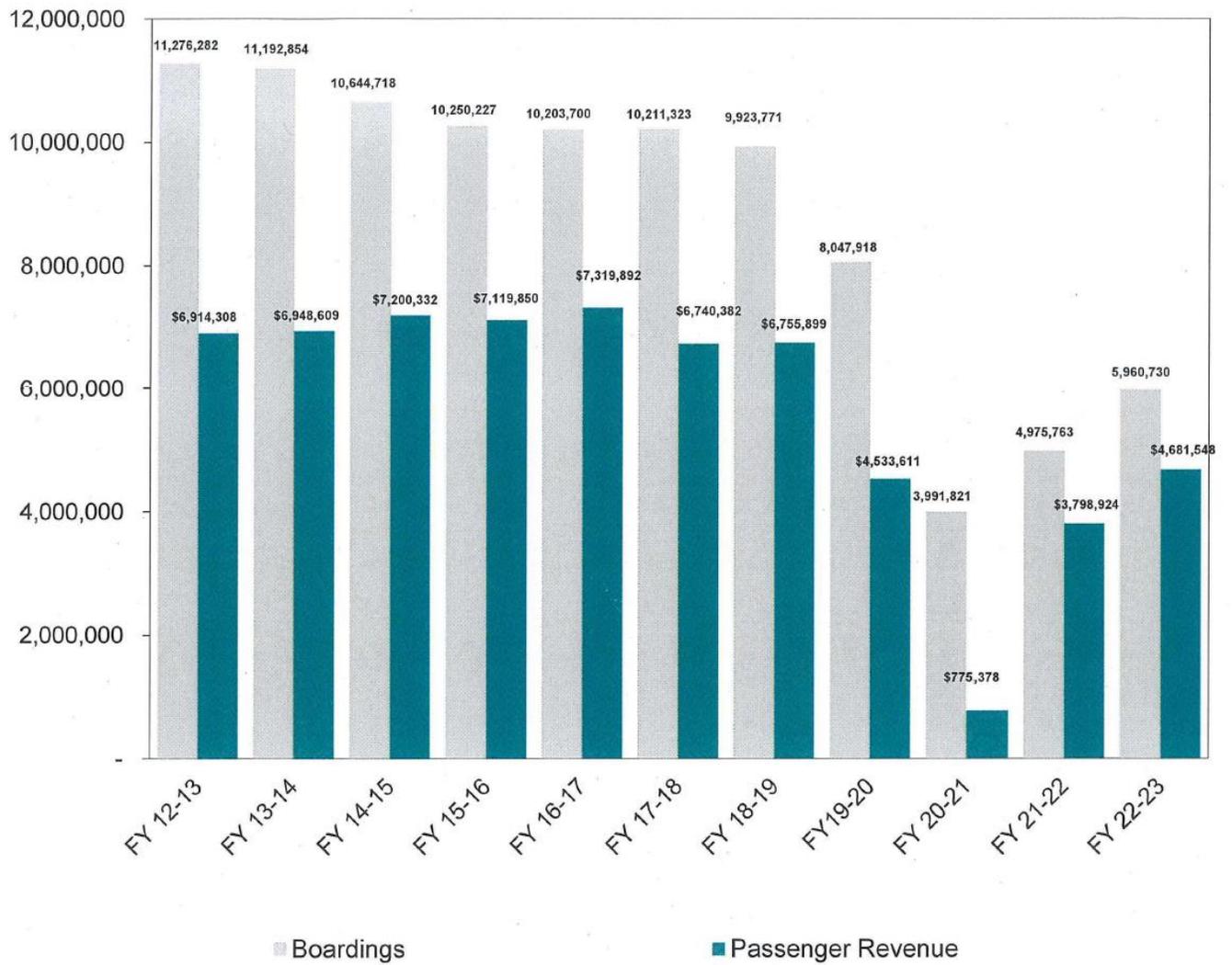
**LANE TRANSIT DISTRICT
 Ridership, Service, and Service Area Population
 Last Twenty Years**



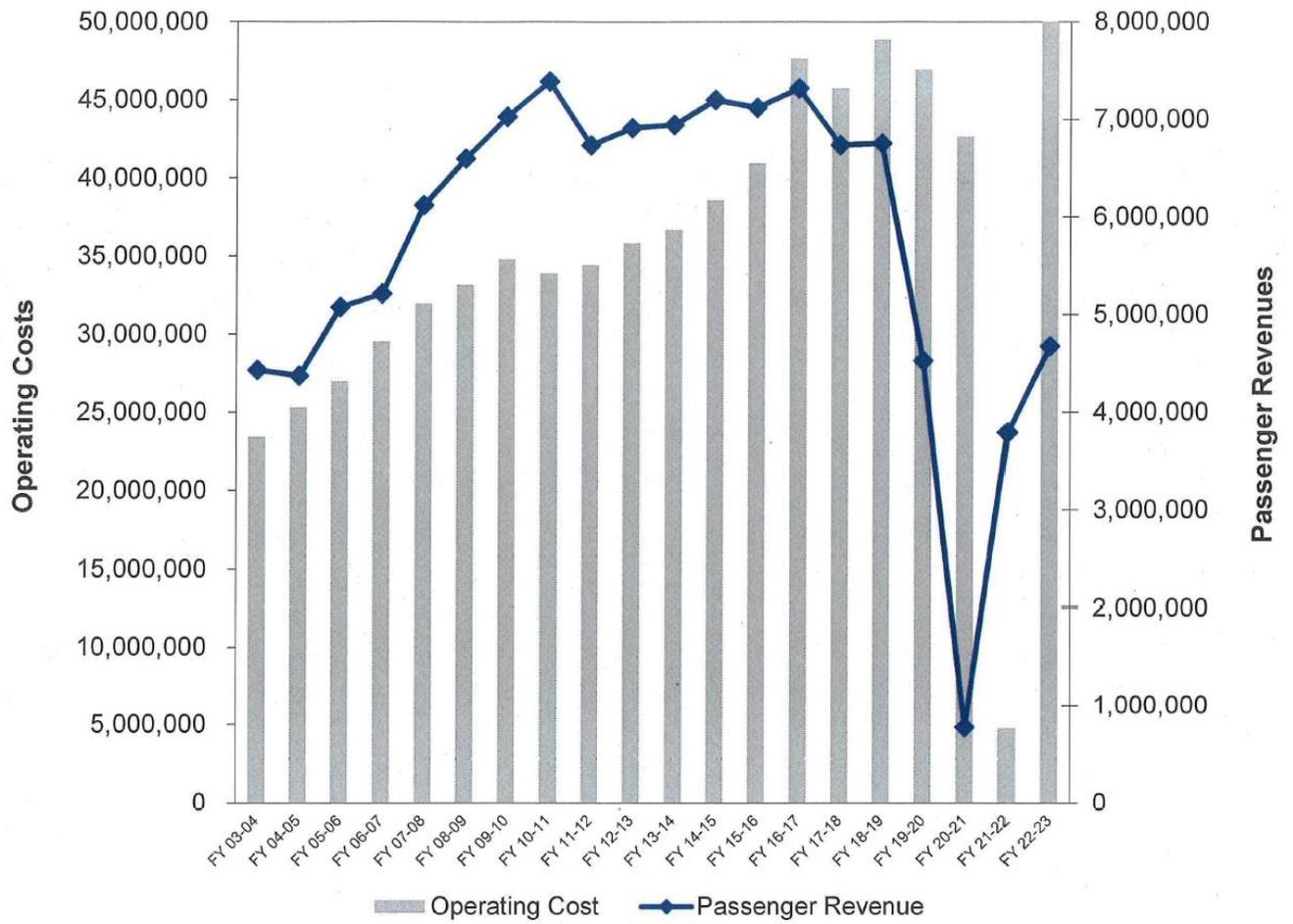
Lane Transit District
Ridership, Trends by Month
For the Fiscal Years Ended June 30, 2023 and 2022



Lane Transit District
 Passenger Boarding and Passenger Revenues
 Last Ten Years



Lane Transit District
 Passenger Revenues and Operating Costs
 Last Twenty Years

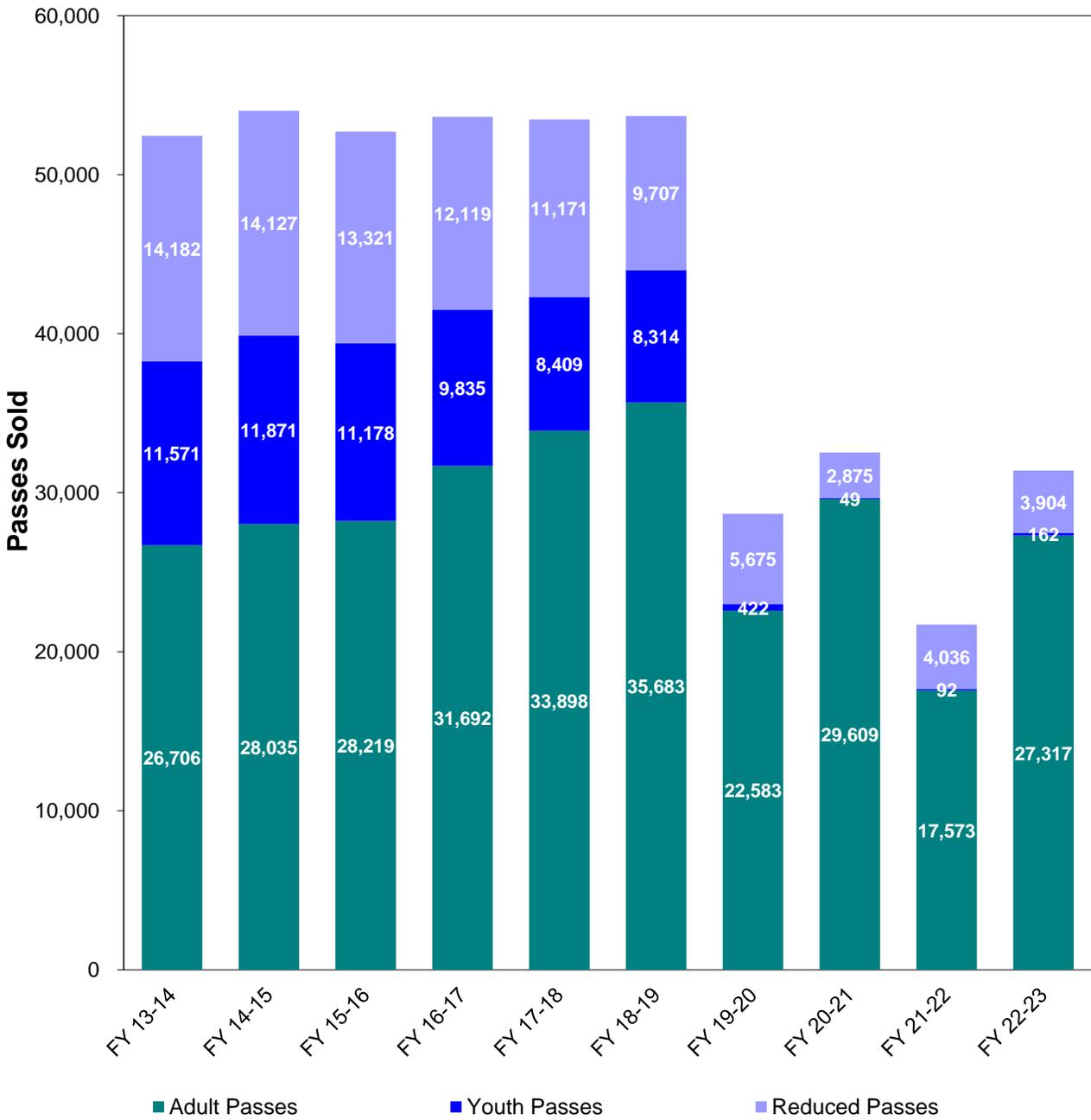


Lane Transit District
 Transportation Revenues by Category
 Last Ten Years

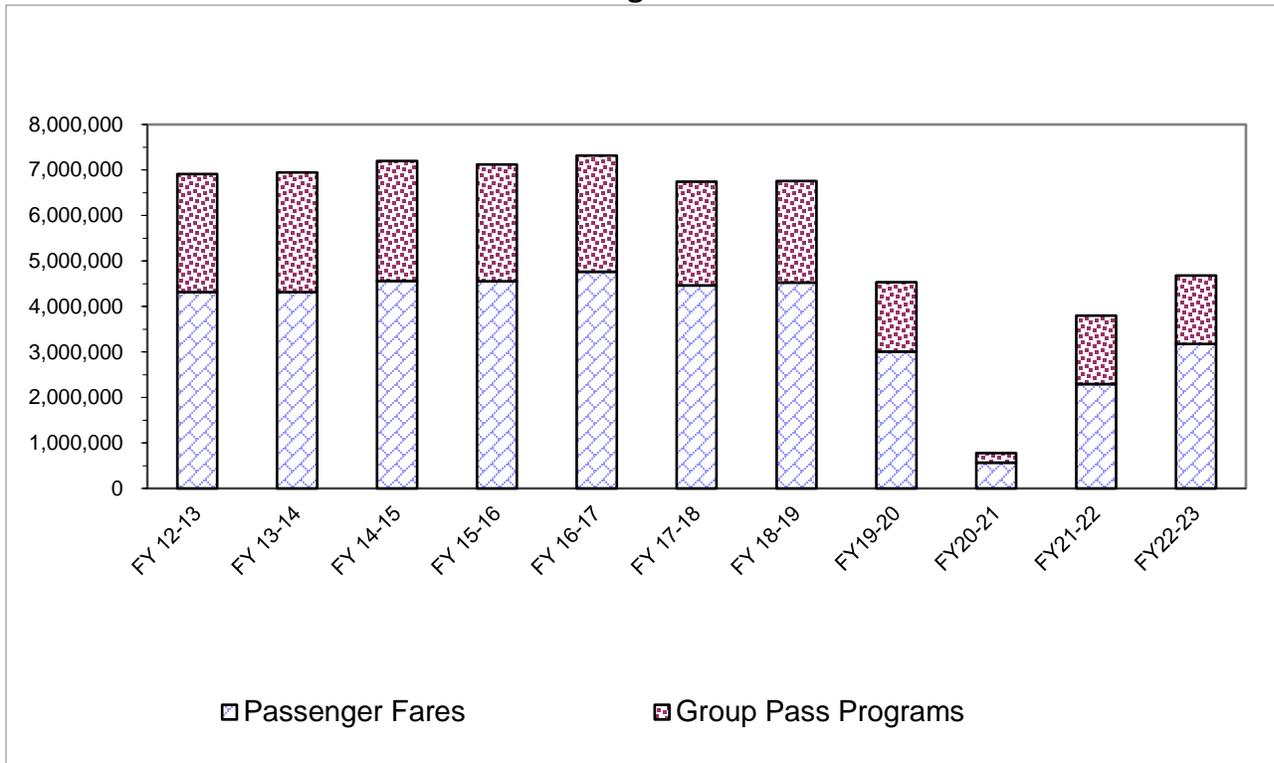
Fiscal Year	Fare Box/ Cash	Percentage Change	Ten-Ride Ticket Books	Percentage Change	Touchpass	Percentage Change	Annual & Monthly Passes	Percentage Change
2022-23	\$ 747,801	11.7%	\$ (140)	n/a	\$ 1,717,086	37.4%	\$ 328,444	-11.8%
2021-22	\$ 669,368	193.1%	\$ -	-100.0%	\$ 1,249,503	225.5%	\$ 372,468	844.8%
2020-21	228,388	-81.5%	(510)	-100.3%	383,875	-14.5%	39,424	-97.0%
2019-20	1,236,409	-22.9%	164,279	-56.1%	449,079	-	1,318,908	-45.5%
2018-19	1,603,722	-9.1%	374,176	5.0%	-	-	2,418,570	3.2%
2017-18	1,763,975	-8.3%	356,350	-5.9%	-	-	2,344,198	-1.7%
2016-17	1,923,688	-5.9%	378,690	4.7%	-	-	2,385,603	-16.5%
2015-16	2,043,958	0.7%	361,792	33.2%	-	-	2,858,164	26.7%
2014-15	2,029,943	1.1%	271,712	3.7%	-	-	2,256,492	10.1%
2013-14	2,007,169	-3.6%	262,028	15.3%	-	-	2,049,093	2.0%

Fiscal Year	Group Pass	Percentage Change	Special Service	Percentage Change	Total Transportation Revenues	Percentage Change
2022-23	\$ 1,567,812	4.0%	\$ 31,300	-1.6%	\$ 4,392,303	15%
2021-22	\$ 1,506,909	633.8%	\$ 31,800	-73.6%	\$ 3,830,048	292%
2020-21	205,353	-86.5%	120,266	-53.4%	976,796	-80%
2019-20	1,526,638	-31.5%	258,028	-10.5%	4,953,341	-28%
2018-19	2,227,545	-2.1%	288,310	-12.1%	6,912,324	-2.2%
2017-18	2,275,859	-10.9%	328,033	41.5%	7,068,415	-5.4%
2016-17	2,554,656	-0.4%	231,795	-5.0%	7,474,433	-7.4%
2015-16	2,565,681	-2.9%	243,928	-4.6%	8,073,523	8.3%
2014-15	2,642,185	0.5%	255,587	-21.2%	7,455,919	2.5%
2013-14	2,630,319	1.3%	324,531	-26.1%	7,273,140	-1.1%

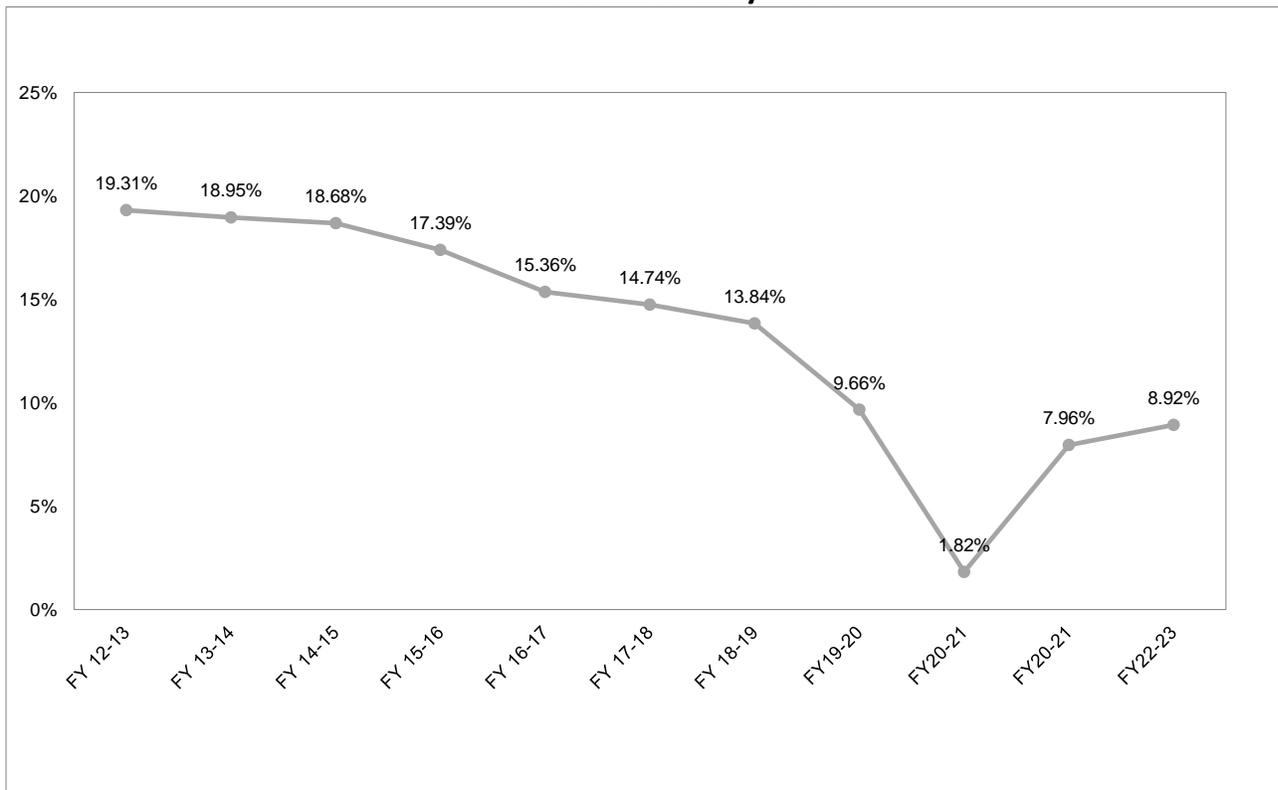
**LANE TRANSIT DISTRICT
 Annual Monthly Pass Sales
 Last Ten Years**



Passenger Revenues



Farebox Recovery Ratio



Lane Transit District

Fare Structure

Last Ten Years

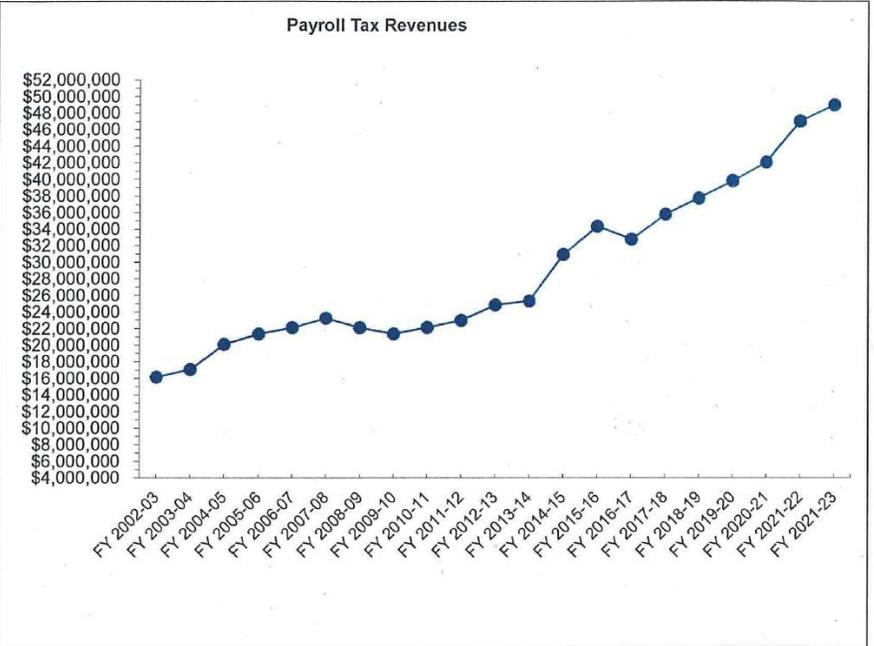
June 30	Cash Fare Adult Age 19-64	Cash Fare Youth Age 6-18	Cash Fare Senior Age 65+	Lane County Students K-12	Low Income	Children Age 5 & younger	Cash Fare Reduced	Age - Reduced
2023	\$ 1.75	\$ 0.85	free	free	75% discount	free	\$ 0.85	NA
2022	1.75	0.85	free	free	75% discount	free	0.85	NA
2021	1.75	0.85	free	free	75% discount	free	0.85	NA
2020	1.75	0.85	free	free	75% discount	free	0.85	NA
2019	1.75	0.85	free	free	75% discount	free	0.85	NA
2018	1.75	0.85	free	free	75% discount	free	0.85	NA
2017	1.75	0.85	free	free	75% discount	free	0.85	NA
2016	1.75	0.85	free	free	75% discount	free	0.85	NA
2015	1.75	0.85	free	free	75% discount	free	0.85	NA
2014	1.75	0.85	free	free	75% discount	free	0.85	NA

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
2023	\$ 50.00	\$ 25.00	free	\$ 25.00	\$ 135.00	\$ 67.50	free	\$ 67.50
2022	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2020	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2019	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2018	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2017	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2016	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2015	50.00	25.00	free	25.00	135.00	67.50	free	67.50
2014	48.00	24.00	free	24.00	130.00	65.00	free	65.00
2013	48.00	24.00	free	24.00	130.00	65.00	free	65.00

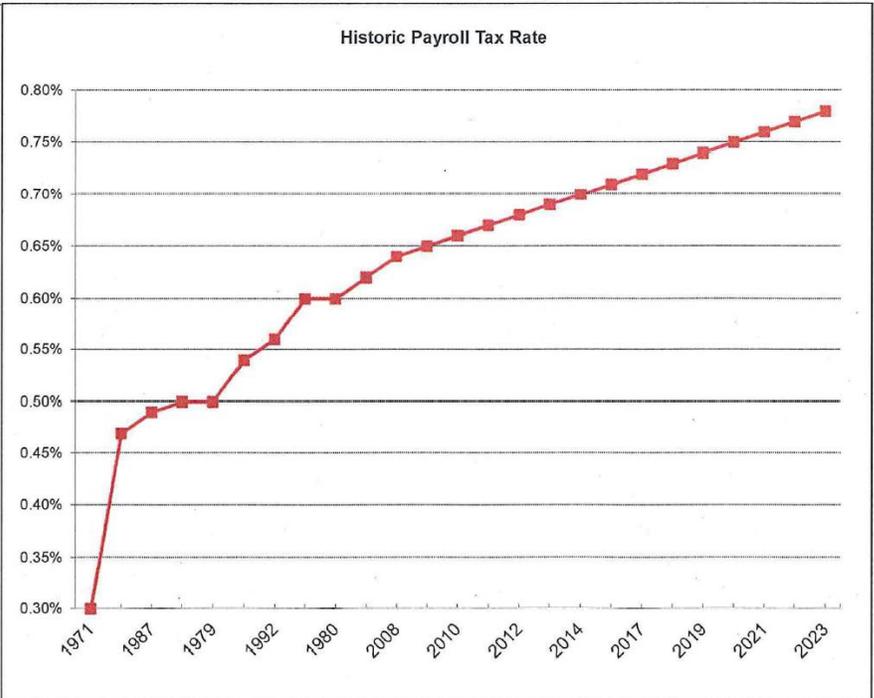
June 30	RideSource Regular Fare	RideSource Escort Fare	RideSource Shopper Fare (Roundtrip)	RideSource Ten-Ride Ticket Book	Ten-Ride Ticket Book Adult	Ten-Ride Ticket Book Reduced	Mobility on Demand Cottage Grove	Mobility on Demand Eugene
2022	\$ 3.50	\$ 3.50	\$ 2.00	\$ 35.00	discontinued	discontinued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

Lane Transit District
Comparative Payroll Tax Information
Last Twenty Years

PAYROLL TAX REVENUE	
Fiscal Year	Amount
FY 2001-02	16,121,110
FY 2002-03	16,214,994
FY 2003-04	17,138,342
FY 2004-05	20,168,976
FY 2005-06	21,416,021
FY 2006-07	22,162,590
FY 2007-08	23,303,571
FY 2008-09	22,169,136
FY 2009-10	21,424,079
FY 2010-11	22,197,770
FY 2011-12	23,047,471
FY 2012-13	24,891,777
FY 2013-14	25,374,737
FY 2014-15	30,981,560
FY 2015-16	34,394,558
FY 2016-17	32,827,455
FY 2017-18	35,797,722
FY 2018-19	37,749,489
FY 2019-20	39,842,212
FY 2020-21	42,081,318
FY 2021-22	47,048,331
FY 2022-23	49,019,822



HISTORIC PAYROLL TAX RATE	
Date Implemented	Rate
January, 1 2023	0.78%
January, 1 2022	0.77%
January, 1 2021	0.76%
January, 1 2020	0.75%
January, 1 2019	0.74%
January, 1 2018	0.73%
January, 1 2017	0.72%
January, 1 2016	0.71%
January 1, 2014	0.70%
January 1, 2013	0.69%
January 1, 2012	0.68%
January 1, 2011	0.67%
January 1, 2010	0.66%
January 1, 2009	0.65%
January 1, 2008	0.64%
January 1, 2007	0.62%
October 1, 1994	0.60%
January 1, 1992	0.56%
July 1, 1987	0.49%
October 1, 1983	0.50%
January 1, 1980	0.60%
January 1, 1979	0.50%
July 1, 1974	0.54%
July 1, 1973	0.47%



DISCLOSURES AND COMMENTS REQUIRED BY STATE MINIMUM STANDARDS

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



Report of Independent Auditors Required by Oregon State Regulations

To the Board of Directors of the
Lane Transit District
Eugene, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and fiduciary activities of Lane Transit District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 19, 2024.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

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

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

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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



Ahmad Gharaibeh, Partner
For Eide Bailly LLP
Menlo Park, California
February 19, 2024