

Regional Transportation Authority

Close-Out Audit of
Reduced Fare Reimbursement
Grant FR-25-052-ILL

Period From July 1, 2024 to June 30, 2025

Regional Transportation Authority

Reduced Fare Reimbursement

Grant FR-25-052-ILL

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Independent Auditors' Report

To the Chairman and Members of
the Board of Directors of
Regional Transportation Authority

Report on the Schedule of Grant Revenues and Expenditures

Opinion

We have audited the accompanying Schedule of Grant Revenues and Expenditures (the Schedule) of the Illinois Department of Transportation (IDOT) Grant FR-25-052-ILL for the grant period from July 1, 2024 to June 30, 2025, and the related Notes.

In our opinion, the accompanying Schedule referred to above presents fairly, in all material respects, the grant revenues and expenditures of IDOT Grant FR-25-052-ILL for the grant period from July 1, 2024 to June 30, 2025, in accordance with the project description in Exhibit A of the agreement between the Regional Transportation Authority (RTA) and IDOT in Grant FR-25-052-ILL.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant agreement requirements as directed by IDOT. Our responsibility under those standards are further described in the Auditors' Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the RTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relation to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

This Schedule was prepared for the purpose of complying with the project description in Exhibit A of the agreement between RTA and IDOT in Grant FR-25-052-ILL, which is basis of accounting other than accounting principles generally accepted in the United State of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the basis of accounting described in the accompany Notes, and for determining that the basis is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and the grant agreement requirements as directed by IDOT 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 Schedule.

In performing an audit in accordance with generally accepted auditing standards and the grant agreement requirements as directed by IDOT, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, 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 Schedule.
- 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 RTA'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 Schedule.

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.

Restriction on Use

This report is intended solely for the information and use of the RTA's Management and Board of Directors and IDOT and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

Oak Brook, Illinois
February 18, 2026

Independent Auditors' Report

To the Chairman and Members of
the Board of Directors of
Regional Transportation Authority

Report on Compliance with Grant Agreement Requirements

Opinion on Compliance

We have audited the Regional Transportation Authority's (RTA) compliance with the project description in Exhibit A of the Illinois Department of Transportation (IDOT) Grant FR-25-052-ILL, as described in the Notes, applicable to RTA's Reduced Fare Reimbursement (RF) grant agreement between RTA and IDOT, as directed by IDOT, for the grant period from July 1, 2024 to June 30, 2025.

In our opinion, RTA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on IDOT Grant FR-25-052-ILL for the grant period from July 1, 2024 to June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS) and the grant agreement requirements as directed by IDOT. Our responsibilities under those standards and the grant agreement requirements as directed by IDOT are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS and the grant agreement requirements as directed by IDOT, we:

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the grant agreement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the grant agreement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the grant agreement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and responses as item 2025-001, to be a significant deficiency.

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

RTA's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Restriction on Use

This report is intended solely for the information and use of the RTA's Management and Board of Directors and IDOT and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Tilly US, LLP

Oak Brook, Illinois
February 18, 2026

Regional Transportation Authority

Schedule of Grant Revenues and Expenditures

Reduced Fare Reimbursement

Grant FR-25-052-ILL

Period From July 1, 2024 to June 30, 2025

<u>Grant Number</u>	<u>Awarded Amount</u>	<u>Costs Claimed</u>	<u>Questioned Costs</u>
FR-25-052-ILL	<u>\$ 20,969,900</u>	<u>\$ 20,969,900</u>	<u>\$ -</u>
Total	<u><u>\$ 20,969,900</u></u>	<u><u>\$ 20,969,900</u></u>	<u><u>\$ -</u></u>

See notes to schedule of grant revenues and expenditures

Regional Transportation Authority

Notes to Schedule of Grant Revenues and Expenditures

Reduced Fare Reimbursement

Grant FR-25-052-ILL

Period From July 1, 2024 to June 30, 2025

1. Summary of Grant Costs Claimed

Through a Grant Agreement dated October 1, 2024 the Illinois Department of Transportation (IDOT) granted the Regional Transportation Authority (RTA) \$20,969,900 for the purpose of reimbursing the Service Boards for revenue losses attributable to reduced fares for students, persons with disabilities and the elderly, as listed in the preceding Schedule of Grant Revenues and Expenditures, which covers the period from July 1, 2024 to June 30, 2025.

2. Audit Scope

The agreement between IDOT and RTA has defined the period for the RF grant to only include activity occurring between July 1, 2024 and June 30, 2025, which totaled \$20,969,900 through June 30, 2025. Exhibit A of the agreement includes the project description. The project description is in agreement with the historical provisions of Part Three of prior agreements, which stipulates that RTA may utilize grant funds for any legitimate and duly authorized expense, program, or other obligation incurred pursuant to RTA's general powers and duties, subject to the following limitations:

1. A certification that the methodology used for counting tickets, passes and cash fares corresponds with the methodology submitted in the Grantee's application and accepted by the Grantor;
2. A certification that the calculation of the funds requested from the State on the basis of the number of tickets and passes sold and cash fares reported to the Department is within an acceptable range of accuracy as determined by generally accepted accounting principles; and
3. A statement of any overpayments by and amounts due and payable to the State.

Historical provisions of Part Three of the agreement stipulates that the preceding Schedule of Grant Revenues and Expenditures be provided and certified that the RF grant funds were expended for eligible purposes. According to the RTA, all project elements in this grant are closed and no additional amounts will be submitted to IDOT for reimbursement.

Regional Transportation Authority

Schedule of Findings and Responses
Year Ended June 30, 2025

Finding 2025-001: Lack of Independent Review of Ridership Reports Submitted Under Grant FR-25-052-ILL

Criteria: During the grant period, Metra submitted two quarterly ridership reports to the Regional Transportation Authority (RTA) under the Reduced Fare Grant (Grant FR-25-052-ILL) without independent review. These reports were prepared and submitted by the same individual, without the required secondary review.

Condition: Per the grant requirements, all service boards must submit detailed ridership backup with each reimbursement request to RTA. These reports are required to undergo a review by someone other than the preparer prior to submission, as part of internal control procedures to ensure accuracy and completeness.

Cause: Metra experienced staff turnover in the role responsible for preparing the ridership reports. As a result, during the transition period, the reports were submitted without undergoing the established review process in order to meet submission deadlines.

Effect or Potential Effect: Submitting reports without independent review increases the risk of errors or omissions in the data provided to RTA. This could impact the accuracy of reimbursement requests and may result in noncompliance with grant requirements.

Recommendation: Metra should ensure that all ridership reports are reviewed by someone other than the preparer, in accordance with grant requirements. In cases of staff turnover, contingency plans should be in place to maintain internal control procedures, including timely and independent review of reports.

Management's Response: Metra reports prepared and sent by the preparer were reviewed by the Treasurer and verbally approved back in September 2025. Going forward, these reviews and approvals will be properly documented and will be included in the quarterly submission.