



AGENDA

Meeting of the Connect Transit Board of Trustees

October 22, 2019

4:30 P.M.

**Connect Transit Board Room
351 Wylie Drive, Normal, Illinois 61761**

- A. Call to Order
- B. Roll Call
- C. Public Comments
- D. Consent Agenda
 - 1. Approval of Minutes of September 24, 2019 Board Meeting
 - 2. Disbursements for the month of September 2019
 - 3. Monthly Statistical Report for September 2019 - Addendum
 - 4. Cardinal Infrastructure Federal Report - Addendum
- E. New Business
 - 1. Connect Transit FY2019 Financial Audit
- F. General Manager's Report
- G. Trustee's Comments
- H. Executive Session (cite) – None.
- I. Adjournment



September 2019

Financial and Statistical Reports



Connect Transit Cash Disbursement Report September 2019

Name	Check Number	Date	Amount	Description
1st Ayd Corporation	00050814	06-Sep-19	\$120.90	Cleaning Supplies
A.T.U. - C.O.P.E.	00050840	13-Sep-19	\$137.90	Payroll Deduction
A-1 Haney Plumbing	00050904	27-Sep-19	\$450.00	Plumbing
ABC Bus Companies	00050815	06-Sep-19	\$703.52	Bus Parts
ABC Bus Companies	00050841	13-Sep-19	\$2,863.35	Bus Parts
ABC Bus Companies	00050874	20-Sep-19	\$300.08	Bus Parts
ABC Bus Companies	00050905	27-Sep-19	\$530.94	Bus Parts
Advance Auto Parts	00050816	06-Sep-19	\$352.22	Maintenance Supplies
Advance Auto Parts	00050875	20-Sep-19	\$20.46	Maintenance Supplies
Advance Auto Parts	00050906	27-Sep-19	\$20.60	Maintenance Supplies
Airgas USA, LLC	00050876	20-Sep-19	\$151.61	Welding Supplies
Amalgamated Transit Union Local 752	00050842	13-Sep-19	\$6,575.40	Payroll Deduction
Amalgamated Transit Union Local 752	00050907	27-Sep-19	\$150.00	Payroll Deduction
Amazon Capital Service	00050843	13-Sep-19	\$407.10	Bus Parts & Office Supplies
Amazon Capital Service	00050877	20-Sep-19	\$223.95	Bus Parts & Office Supplies
American Public Transportation Assoc.	00050839	09-Sep-19	\$18,000.00	APTA Dues
Aramark Uniform Services	00050817	06-Sep-19	\$223.22	Cleaning Uniforms & Rugs
Aramark Uniform Services	00050878	20-Sep-19	\$482.89	Cleaning Uniforms & Rugs
Aramark Uniform Services	00050908	27-Sep-19	\$248.62	Cleaning Uniforms & Rugs
Assurance Agency, Ltd.	00050879	20-Sep-19	\$97,197.00	Insurance
Avail Technologies	00050818	06-Sep-19	\$1,405.00	Software & Tech Support
Bill's Key and Lock	00050909	27-Sep-19	\$9.20	Locks & Keys
Birkey's Farm Store, Inc	00050819	06-Sep-19	\$636.96	Bus Parts
Birkey's Farm Store, Inc	00050844	13-Sep-19	\$361.92	Bus Parts
Blue Cross and Blue Shield of Illinois	00050820	06-Sep-19	\$114,964.98	Insurance
Brink's Incorporated	00050880	20-Sep-19	\$228.29	Consulting
Cardinal Infrastructure	00050845	13-Sep-19	\$6,000.00	Consulting
Carlson Siding & Construction	00050881	20-Sep-19	\$250.00	Building Maintenance
Central Illinois Trucks Inc.	00050821	06-Sep-19	\$260.24	Bus Parts
Central Illinois Trucks Inc.	00050882	20-Sep-19	\$282.49	Bus Parts
Central Illinois Trucks Inc.	00050910	27-Sep-19	\$1,597.78	Bus Parts
Central States Bus Sales, Inc	00050822	06-Sep-19	\$440.21	Bus Parts
Central States Bus Sales, Inc	00050883	20-Sep-19	\$1,237.70	Bus Parts
Central States Bus Sales, Inc	00050911	27-Sep-19	\$74.74	Bus Parts
ChemStation of Indiana	00050884	20-Sep-19	\$951.40	Garage Supplies
CIRBN, LLC	00050912	27-Sep-19	\$347.84	Internet
City of Bloomington	00050846	13-Sep-19	\$122.85	Utilities
City of Bloomington	00050913	27-Sep-19	\$752.25	Utilities
Clark Baird Smith, LLP	00050914	27-Sep-19	\$595.00	Legal Service
Clement Communications	00050823	06-Sep-19	\$484.74	Printed Materials
CliftonLarsonAllen LLP	00050824	06-Sep-19	\$6,500.00	Audit Services
Corn Belt Energy Corp.	00050885	20-Sep-19	\$4,023.23	Utilities
Cornerstone Government Affairs	00050886	20-Sep-19	\$3,333.33	Consulting
Crown Lift Trucks-735	00050847	13-Sep-19	\$1,146.33	Garage Equipment Repair
Cummins Crosspoint	00050825	06-Sep-19	\$721.77	Bus Parts
Dish Network	00050915	27-Sep-19	\$102.03	Television Service
Don Owen Tire Service, Inc.	00050826	06-Sep-19	\$12.27	Bus Parts
Don Owen Tire Service, Inc.	00050916	27-Sep-19	\$186.88	Bus Parts
Engraving Express	00050887	20-Sep-19	\$116.00	Printed Materials
Evergreen FS	00050848	13-Sep-19	\$50,466.47	Fuel



Connect Transit Cash Disbursement Report September 2019

Name	Check Number	Date	Amount	Description
Evergreen FS	00050888	20-Sep-19	\$488.96	Fuel
Evergreen FS	00050917	27-Sep-19	\$15,595.25	Fuel
Fastenal Company	00050849	13-Sep-19	\$13.63	Bus Parts
Frontier	00050889	20-Sep-19	\$889.62	Telephone
Genfare	00050827	06-Sep-19	\$548.66	Software and Hardware
Genfare	00050890	20-Sep-19	\$244.09	Software and Hardware
Genfare	00050918	27-Sep-19	\$15.76	Software and Hardware
Gerber Collision	00050891	20-Sep-19	\$2,161.00	Outside Repair Service
Gillig LLC	00050828	06-Sep-19	\$3,268.73	Bus Parts
Gillig LLC	00050892	20-Sep-19	\$467.95	Bus Parts
Gillig LLC	00050919	27-Sep-19	\$13.34	Bus Parts
Global Equipment Company	00050850	13-Sep-19	\$2,107.60	Garage Supplies
Great Plains Media	00050893	20-Sep-19	\$910.00	Radio Advertising
ICMA- 457 Retirement	ACH	12-Sep-19	\$29,325.49	Payroll Deduction
ICMA- 457 Retirement	ACH	26-Sep-19	\$28,956.47	Payroll Deduction
Illinois Department of Revenue	00050851	13-Sep-19	\$12,912.86	Payroll Deduction
Illinois Department of Revenue	00050920	27-Sep-19	\$0.00	Payroll Deduction
Illinois Department of Revenue	00050939	27-Sep-19	\$12,732.43	Payroll Deduction
Illinois State Disbursement Unit	00050852	13-Sep-19	\$707.79	Payroll Deduction
Illinois State Disbursement Unit	00050921	27-Sep-19	\$707.79	Payroll Deduction
Indiana State Collection Unit (INSCCU)	00050853	13-Sep-19	\$70.00	Payroll Deduction
Indiana State Collection Unit (INSCCU)	00050922	27-Sep-19	\$70.00	Payroll Deduction
Interstate Batteries of Mid-Illinois	00050854	13-Sep-19	\$975.80	Bus Parts
John A. Dash & Associates, Inc	00050894	20-Sep-19	\$275.00	Dues & Subscriptions
Julie Holts	00050855	13-Sep-19	\$79.39	Uniform Reimbursement
Kashia d/b/a Inbox Loan	00050856	13-Sep-19	\$65.00	Payroll Deduction
Kashia d/b/a Inbox Loan	00050923	27-Sep-19	\$65.00	Payroll Deduction
Ken's Oil Service, Inc	00050857	13-Sep-19	\$1,038.14	Oil, Antifreeze
Ken's Oil Service, Inc	00050924	27-Sep-19	\$2,022.42	Oil, Antifreeze
Kurt Kisandi	00050895	20-Sep-19	\$185.48	Garage Maintenance Equipment
LIFTOFF	00050925	27-Sep-19	\$7,644.60	Software Licensing
Madeleine Lehman	00050829	06-Sep-19	\$119.46	Travel Reimbursement
Marsha L Combs-Skinner	00050926	27-Sep-19	\$73.85	Payroll Deduction
Michelin North America, Inc	00050896	20-Sep-19	\$3,848.11	Tires
Midwest Construction Rentals	00050830	06-Sep-19	\$305.00	Maintenance Equipment
Midwest Equipment II	00050859	13-Sep-19	\$25.38	Lawn Maintenance Equipment
Miller Janitor Supply	00050927	27-Sep-19	\$398.37	Maintenance Supplies
Morris Avenue Garage	00050897	20-Sep-19	\$112.00	Vehicle Inspection
Morris Avenue Garage	00050928	27-Sep-19	\$112.00	Vehicle Inspection
Morrow Brothers Ford Inc.	00050813	04-Sep-19	\$900.00	Vehicle Registration
Morrow Brothers Ford Inc.	ACH	11-Sep-19	\$96,069.70	Support Vehicles
Motion Industries, Inc.	00050831	06-Sep-19	\$431.27	Bus Parts
Motion Industries, Inc.	00050860	13-Sep-19	\$32.83	Bus Parts
Motion Industries, Inc.	00050929	27-Sep-19	\$129.16	Bus Parts
Mutual of Omaha	00050832	06-Sep-19	\$15,128.42	Life, AD&D, STD & LTD
Mutual of Omaha	00050930	27-Sep-19	\$14,698.11	Life, AD&D, STD & LTD
Napa Auto Parts	00050833	06-Sep-19	\$121.65	Bus Parts
National Public Employer Labor Relations	00050931	27-Sep-19	\$949.00	Dues & Subscriptions
Neuhoff Media	00050898	20-Sep-19	\$1,300.00	Advertising
Omar Vides	00050861	13-Sep-19	\$52.19	Uniform Reimbursement



Connect Transit Cash Disbursement Report September 2019

Name	Check Number	Date	Amount	Description
Orkin Pest Control	00050862	13-Sep-19	\$566.41	Pest Control
OSF Occupational Health	00050863	13-Sep-19	\$229.50	Drug Testing
Payroll	ACH	12-Sep-19	\$199,308.53	
Payroll	ACH	26-Sep-19	\$202,827.00	
Personal Finance Company LLC	00050864	13-Sep-19	\$55.00	Payroll Deduction
Personal Finance Company LLC	00050932	27-Sep-19	\$80.00	Payroll Deduction
Roberts Trophies	00050865	13-Sep-19	\$13.98	Admin Uniforms
Ross & White Co.	00050866	13-Sep-19	\$1,117.21	Bus Washer
SAFETY GLASSES USA	00050834	06-Sep-19	\$99.59	Safety
Sam Leman	00050835	06-Sep-19	\$177.67	Outside Repair
Shive-Hattery, Inc.	00050867	13-Sep-19	\$9,600.00	Architectural Services
Simme, LLC	00050933	27-Sep-19	\$7,624.00	Simme Seats at Bus Stops
Southtown Wrecker Service, Inc.,	00050899	20-Sep-19	\$165.00	Towing
Southtown Wrecker Service, Inc.,	00050934	27-Sep-19	\$220.00	Towing
Sun Loan- Bloomington - IL	00050868	13-Sep-19	\$347.08	Payroll Deduction
The Aftermarket Parts Company LLC	00050836	06-Sep-19	\$1,199.28	Bus Parts
The Aftermarket Parts Company LLC	00050869	13-Sep-19	\$7.87	Bus Parts
The Aftermarket Parts Company LLC	00050900	20-Sep-19	\$1,021.80	Bus Parts
The Aftermarket Parts Company LLC	00050935	27-Sep-19	\$235.13	Bus Parts
Tonto Apache d/b/a Comet Loans	00050870	13-Sep-19	\$80.00	Payroll Deduction
Tonto Apache d/b/a Comet Loans	00050936	27-Sep-19	\$55.00	Payroll Deduction
Town of Normal	00050901	20-Sep-19	\$1,456.94	Utilities
TransitTalent.com	00050937	27-Sep-19	\$115.00	Public Notices
Uline	00050871	13-Sep-19	\$277.59	Office Supplies
United Parcel Service	00050902	20-Sep-19	\$27.90	Shipping
United States Treasury	ACH	03-Sep-19	\$69,294.05	Federal Tax Payment
United States Treasury	ACH	17-Sep-19	\$71,107.42	Federal Tax Payment
VenuWorks of Bloomington, LLC	00050903	20-Sep-19	\$2,234.00	Advertising
Verizon Wireless	00050837	06-Sep-19	\$1,457.25	Mobile Data Terminals for SS
Verizon Wireless	00050872	13-Sep-19	\$351.08	Mobile Data Terminals for SS
Visa - Commerce Bank	00050838	06-Sep-19	13.00	Legal
Visa - Commerce Bank	00050838	06-Sep-19	8.00	Support Vehicles
Visa - Commerce Bank	00050838	06-Sep-19	76.10	Building Maintenance
Visa - Commerce Bank	00050838	06-Sep-19	490.96	Advertising- Employment
Visa - Commerce Bank	00050838	06-Sep-19	7.85	Freight
Visa - Commerce Bank	00050838	06-Sep-19	575.46	Bus Parts
Visa - Commerce Bank	00050838	06-Sep-19	4.34	Bus Signs
Visa - Commerce Bank	00050838	06-Sep-19	19.28	Office Supplies
Visa - Commerce Bank	00050838	06-Sep-19	319.96	Software Licensing
Visa - Commerce Bank	00050838	06-Sep-19	40.00	Dues & Subscriptions
Visa - Commerce Bank	00050838	06-Sep-19	534.90	Trustee's Expense
Visa - Commerce Bank	00050838	06-Sep-19	3,647.01	Travel & Meetings
Visa - Commerce Bank	00050838	06-Sep-19	61.02	Advertising- Promotions
Visa - Commerce Bank	00050838	06-Sep-19	5,119.98	Safety & Training
Watts Copy Systems, Inc	00050938	27-Sep-19	\$733.98	Lease
William Masters, Inc	00050873	13-Sep-19	\$2,601.00	HVAC

Grand Total \$1,171,740.53

Bloomington Normal Public Transit Balance Sheet

Division: 99 Board Reports

As of: 9/30/2019

Fiscal Year: 2020 Period: 3 Sep-2019

Assets

Current Assets

Checking and Savings	\$8,261,826.14
Accounts Receivable	(\$636,872.65)
Inventory Asset - Fuel	\$45,931.06
Inventory Asset - Parts	\$170,885.03
Inventory Asset - Tires	\$0.00
Other Current Assets	\$261,104.85

Total Current Assets **\$8,102,874.43**

Fixed Assets \$20,236,960.75

Total Assets **\$28,339,835.18**

Liabilities & Equity

Liabilities

Accounts Payable	\$167,136.10
Payroll Liabilities	\$1,206,922.49
Contracts	\$0.00
Due to Illinois Funds Account	\$0.00
Deferred Revenue	\$151,596.22
Deficit Funding Advance	\$0.00

Total Liabilities **\$1,525,654.81**

EQUITY

Fixed Asset Equity	\$12,483,532.77
Unreserved Fund Equity	\$6,750,412.62
Underground Petroleum Storage	\$20,000.00

Total Equity **\$19,253,945.39**

Retained Earnings \$7,560,234.98

Total Liabilities & Equity **\$28,339,835.18**

Bloomington Normal Public Transit Income Statement With Approved Budget

From Fiscal Year: 2020 Thru Fiscal Year: 2020	From Period 3 Thru Period 3	Division: 98 Operating Profit/Loss	As of: 9/30/2019	Approved Budget
		Sep-2019	Jul-2019 Sep-2019	Approved Budget
Operating Revenue				
Passenger Fares	\$54,141.69	6.91%	\$184,257.20	\$784,000.00
ISU Contract Fare	\$46,325.00	8.29%	\$138,975.00	\$559,000.00
Other Contract Fares	\$10,325.45	7.32%	\$31,666.04	\$141,000.00
Advertising Revenue	\$9,896.76	6.60%	\$24,412.08	\$150,000.00
Miscellaneous Revenue	\$2,764.97	92.17%	\$7,750.39	\$3,000.00
Total Operating Revenue	\$123,453.87	7.54%	\$387,060.71	\$1,637,000.00
Operating Expenses				
Operators Wages	\$482,507.15	8.36%	\$1,491,682.26	\$5,772,000.00
Maintenance Wages	\$78,236.20	6.99%	\$231,110.40	\$1,120,000.00
Administration Wages	\$78,017.19	7.66%	\$249,169.02	\$1,019,000.00
Employer Payroll Tax Expense	\$48,282.00	7.45%	\$150,059.88	\$648,000.00
Retirement Plan	\$26,451.50	6.92%	\$84,350.67	\$382,000.00
Group Insurance	\$122,883.90	7.00%	\$357,742.18	\$1,756,000.00
Uniform Expense	\$1,671.95	4.52%	\$5,389.33	\$37,000.00
Professional Services	\$14,941.33	4.82%	\$49,605.49	\$310,000.00
Outside Repair-Labor	\$3,490.34	5.06%	\$7,465.59	\$69,000.00
Contract Maintenance Services	\$5,726.70	5.21%	\$18,616.59	\$110,000.00
Custodial Services	\$1,999.32	12.50%	\$3,657.61	\$16,000.00
Employee Recruiting/Testing/Temp Help	\$1,089.46	6.81%	\$2,520.03	\$16,000.00
Fuel	\$68,699.97	6.61%	\$204,828.85	\$1,039,000.00
Lubricants	\$1,915.17	4.35%	\$5,852.67	\$44,000.00
Tires	\$8,270.22	9.19%	\$17,070.22	\$90,000.00
Bus Repair Parts	\$18,359.31	10.74%	\$42,167.22	\$171,000.00
Other Materials & Supplies	\$2,457.13	6.04%	\$8,358.87	\$40,700.00
Shelters/Signs/Shop Tools	\$1,075.70	10.76%	\$3,912.59	\$10,000.00
Computer and Office Supplies	\$13,270.85	6.67%	\$20,664.51	\$199,000.00
Utilities	\$4,267.13	3.07%	\$22,936.32	\$139,000.00
Corporate Insurance	\$43,683.37	10.92%	\$94,362.87	\$400,000.00
Dues/Subscriptions/Fees	\$2,444.00	4.70%	\$22,307.00	\$52,000.00
Printing/Marketing/Training	\$19,814.77	7.13%	\$39,895.18	\$278,000.00
Total Operating Expenses	\$1,049,554.66	7.65%	\$3,133,725.35	\$13,717,700.00
Operating Assistance				
Operating Deficit Before Subsidies and Grants	(\$926,100.79)	7.67%	(\$2,746,664.64)	(\$12,080,700.00)
City of Bloomington Operating Assistance	\$50,833.33	8.33%	\$152,499.99	\$610,000.00
Town of Normal Operating Assistance	\$32,500.00	8.33%	\$97,500.00	\$390,000.00
Illinois Downstate Operating Assistance	\$676,143.00	7.66%	\$2,017,302.00	\$8,830,000.00
FTA 5307 Operating Assistance	\$154,567.00	7.30%	\$446,009.00	\$2,118,000.00
Total Operating Assistance	\$914,043.33	7.65%	\$2,713,310.99	\$11,948,000.00



Board of Trustees
Bloomington-Normal Public Transit System
Normal, Illinois

We have audited the financial statements of the Bloomington-Normal Public Transit System as of and for the year ended June 30, 2019, and have issued our report thereon dated October 15, 2019. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bloomington-Normal Public Transit System are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year 2019.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2019.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 15, 2019.

With respect to the Consolidated Year-End Financial Report, Schedule of Computation of Federal Operating Assistance Grant, Schedule of Revenue and Expenses under Downstate Operating Assistance Grant OP-19-07-IL, and Schedule of Computation of Amount Due Illinois State University (supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 15, 2019.

The introductory and statistical sections accompanying the financial statements, which are the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the Board of Trustees and management of Bloomington-Normal Public Transit System and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Champaign, Illinois
October 15, 2019

Client: **004-00435800 - Bloomington-Normal Public Transit System**
 Engagement: **AUD 2019 - Bloomington-Normal Public Transit System**
 Period Ending: **6/30/2019**
 Trial Balance: **0900 - TB**
 Workpaper: **0922 - Reclassifying Journal Entries Report**

<u>Account</u>	<u>Description</u>	<u>W/P Ref</u>	<u>Debit</u>	<u>Credit</u>
Reclassifying Journal Entries JE # 1		1700.10		
To reclassify CIP into CIP account				
150.600	Construction in		61,398.00	
150.400	150.400 Building			61,398.00
Total			<u><u>61,398.00</u></u>	<u><u>61,398.00</u></u>



**Bloomington-Normal Public Transit System
Normal, Illinois**

**Comprehensive Annual Financial Report
For the Fiscal Years
July 1, 2018 to June 30, 2019 and
July 1, 2017 to June 30, 2018**



Bloomington Normal Public Transit System

Normal, Illinois

Comprehensive Annual Financial Report

For the Fiscal Years

July 1, 2018 to June 30, 2019 and

July 1, 2017 to June 30, 2018

Prepared by:

Bloomington Normal Public Transit System

Finance Department

www.connect-transit.com

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
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October 15, 2019

Members of the Board of Trustees
Bloomington-Normal Public Transit System
Normal, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Bloomington-Normal Public Transit System (Connect Transit) for the fiscal years ending June 30, 2019 and 2018, is submitted herewith. This report provides a broad view of Connect Transit's financial activities for the 2019 and 2018 fiscal years and its financial position at June 30, 2019 and 2018. This report was prepared by Connect Transit's Finance Department. Responsibility for the accuracy of the presented data and the fairness of the presentation, including all disclosures, rest with Connect Transit. The organization and content of this report follows the standards for annual financial reporting under the Governmental Accounting Standards Board (GASB). We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth Connect Transit's financial position and results of operations as measured by financial activity, and that all disclosures necessary to enable the reader to gain the maximum understanding of Connect Transit's financial condition have been included contained.

Connect Transit financial statements have been audited by CliftonLarsonAllen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Connect Transit for the fiscal years ended June 30, 2019 and 2018, are free of material misstatement. 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 Connect Transit's financial statements for the fiscal years ended June 30, 2019 and 2018, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

As a recipient of various federal funding, Connect Transit is required under the Federal Single Audit Act, to have an annual audit, when applicable, of certain major federal grant programs performed. The audit contains information concerning whether grant activity is presented fairly in general purpose financial statements, whether internal controls are sufficient to provide reasonable assurance that the funds are managed properly, and whether material grant compliance requirements have been met. The auditors' reports relative to the Federal Single Audit Act are included in this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis of the basic financial statements in the

Bloomington-Normal Public Transit System
Letter of Transmittal

form of a Management's Discussion and Analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A. Connect Transit's MD&A can be found immediately following the report of the independent auditors. Connect Transit's operation is accounted for under a single enterprise fund, which uses the same accrual accounting method as private enterprise. Under revenue recognition and matching principles of the accrual accounting method, revenues are recorded when earned, and expenses are recorded when incurred. Note 1 to the financial statements provides further details of Connect Transit's accounting policies.

PROFILE OF THE AGENCY

In 1972, the City of Bloomington and Town of Normal, by intergovernmental agreement, established an intergovernmental agency known as the Bloomington Normal Public Transit System after the privately owned National City bus company left the Bloomington-Normal market. The transit system operates as an independent agency governed by a board appointed by both the City of Bloomington and Town of Normal. In 2012, the transit system rebranded as Connect Transit.

Connect Transit provides fixed route, and demand response services in a 46 square mile area located in the City of Bloomington and the Town of Normal with a combined population of approximately 133,000 residents. In FY 2019, combined ridership for all modes of service totaled 2,533,472. Connect Transit is governed by a Board of Directors. Four members appointed by the City of Bloomington, three members appointed by the Town of Normal, and two Ex officio members (the City Manager for the City of Bloomington and the Town Manager for the Town of Normal). The Board appoints a General Manager to implement policies authorized by the Board and oversee Connect Transit's daily operations as well as its approximately 138 employees. Connect Transit operates up to 26 buses on 15 fixed routes. Connect Transit, under the name of Connect Mobility, provides demand – response service to all paratransit eligible riders within the American with Disabilities Act guidelines.

Connect Transit maintains a fleet of 39 buses for its 15 fixed routes. Included in this fleet are (10) 2018 New Flyer 40' buses, (7) 2016 New Flyer 40' buses, (5) 2015 New Flyer 40' buses, (4) 2011 Gillig 35' buses, (1) 2010 Gillig 35' bus, (2) 2008 Gillig 30' buses, and (10) 2003 New Flyer 40' buses. Connect Mobility's paratransit fleet includes (9) 2018 Ford vans, (4) 2017 Ford vans, (3) 2011 Ford vans, and (2) 2010 Ford vans.

In FY 2019, fixed route services carried 2,442,954 passengers. Connect Transit's demand response services total ridership was 90,518.

Bloomington-Normal Public Transit System
Letter of Transmittal

ECONOMIC IMPACT

The economic condition of Connect Transit is dependent on available state and federal funding. The City of Bloomington, Town of Normal, and advertising income support Connect Transit operations as well. New buses, improved routes, greater frequency and new bus shelters will have a significant impact on making public transportation a more attractive option for our riders.

LONG-TERM FINANCIAL and CAPITAL PLANNING APPROACH

Connect Transit's management has established a system of internal controls that is designed to help assure that the assets of Connect Transit are safeguarded against loss, theft, or misuse. The system of internal controls also helps assure that the accounting system compiles reliable financial data for the preparation of Connect Transit's financial statements. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that evaluation of the costs and benefits require estimates and judgments by management. In addition, Connect Transit maintains budgetary controls. Budgetary control is maintained by periodic review of year-to-date, actual vs. budgeted expenditures. Connect Transit's long-term planning processes are managed under a unified planning structure. This includes monitoring contracts and external agreements in a timely fashion, meeting required reporting deadlines to Connect Transit's funding sources, and establishing and enforcing best practices.

MAJOR INITIATIVES

The initiatives for FY 2019 were planned in accordance with Connect Transit's strategic goals; each initiative and/or project was carefully reviewed before implementation to ensure adherence to Connect Transit's strategic goals. Planned initiatives and capital projects for FY 2019 included:

- Acquired 9 new Ford mobility buses as replacement vehicles
- Implemented route adjustments
- Continued installation of new bus shelters and improving bus stops

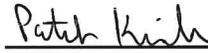
Bloomington-Normal Public Transit System
Letter of Transmittal

ACKNOWLEDGEMENTS

We would like to thank all members of Connect Transit who assisted and contributed to the preparation of this report, as well as members of the Connect Transit Board for their interest and continued support in the ongoing efforts of the agency. We are very excited about the role that we will play as transit initiatives move forward, and we will continue to rely on our resources and strengths to be successful.



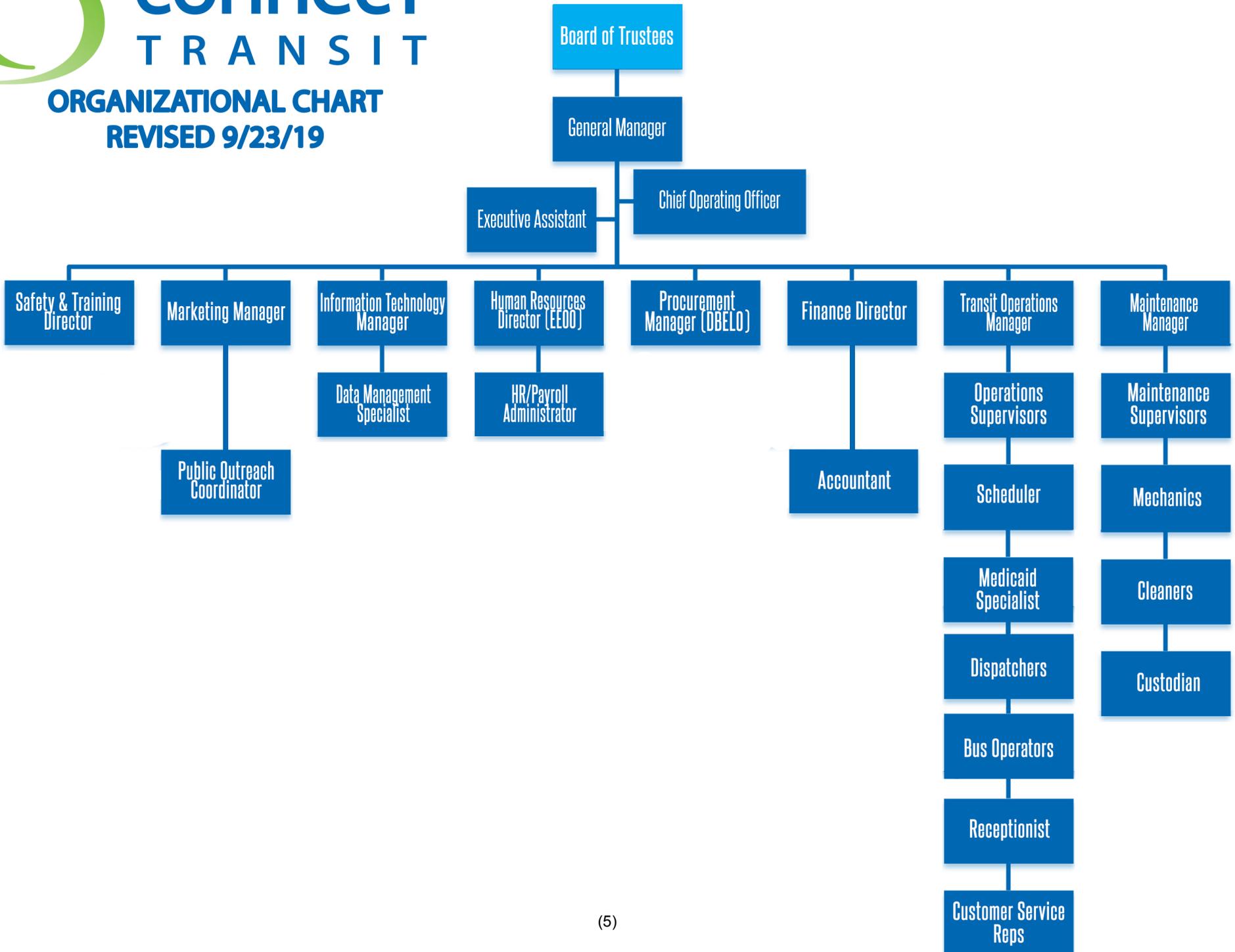
Isaac Thorne
General Manager



Patrick Kuebrich
Finance Director



**ORGANIZATIONAL CHART
REVISED 9/23/19**



Bloomington-Normal Public Transit System
Board of Trustees
For the Years Ended June 30, 2019 and 2018

<u>Name</u>	<u>Position</u>	<u>Appointed By</u>
Mike McCurdy	Chairman	Town of Normal
Ryan Whitehouse	Vice Chairman	City of Bloomington
Monica Bullington	Secretary	City of Bloomington
Judy Buchanan	Trustee	City of Bloomington
John Bowman	Trustee	City of Bloomington
Julie Hile	Trustee	Town of Normal
Open	Trustee	Town of Normal
Pam Reese	Ex Officio	Town of Normal
Tim Gleason	Ex Officio	City of Bloomington



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Public Transit System, Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Bloomington-Normal Public Transit System
Normal, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the Bloomington-Normal Public Transit System, as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bloomington-Normal Public Transit System as of June 30, 2019 and 2018, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bloomington-Normal Public Transit System's basic financial statements. The introductory section, the Consolidated Year-End Financial Report, Schedule of Computation of Federal Operating Assistance Grant, Schedule of Computation of Amount Due Illinois State University, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Revenue and Expenses Under Downstate Operating Assistance Grant OP-19-07-IL is presented for purposes of additional analysis, as required by the Illinois Department of Transportation and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Consolidated Year-End Financial Report, Schedule of Computation of Federal Operating Assistance Grant, Schedule of Revenue and Expenses Under Downstate Operating Assistance Grant OP-19-07-IL, Schedule of Computation of Amount Due Illinois State University, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2019, on our consideration of the Bloomington-Normal Public Transit System'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 result of that testing, and not to provide an opinion on the effectiveness of the Bloomington-Normal Public Transit System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bloomington-Normal Public Transit System's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Champaign, Illinois
October 15, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) is an introduction to the basic financial statements and supplementary information of the Bloomington-Normal Public Transit System (System). The MD&A should be read in conjunction with the basic financial statements, notes to financial statements, supplementary information, and the statistical section. The MD&A provides management's perspective on the performance of the System in the current year and its financial condition at year-end.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to General Manager, Bloomington-Normal Public Transit System, 351 Wylie Drive, Normal, Illinois 61761.

Financial Highlights – Fiscal Year 2019

- State operating assistance increased in fiscal year 2019 to \$7,886,760 from \$7,719,588 in fiscal year 2018.
- Federal operating assistance decreased in fiscal year 2019 to \$1,738,011 from \$1,742,929 in fiscal year 2018.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$26,562,715 (net position).
- The System operated in fiscal year 2019 without incurring long-term debt.

Financial Highlights – Fiscal Year 2018

- State operating assistance increased in fiscal year 2018 to \$7,719,588 from \$7,681,950 in fiscal year 2017.
- Federal operating assistance increased in fiscal year 2018 to \$1,742,929 from \$1,739,100 in fiscal year 2017.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$26,860,780 (net position).
- The System operated in fiscal year 2018 without incurring long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

The basic financial statements are the statements of net position, statements of revenues, expenses, and changes in net position, and the statements of cash flows. These financial statements were prepared using the full accrual accounting method used by businesses in the private sector.

The statements of net position present the financial position of the System on a full accrual historical cost basis. The statements of net position provide information on all the assets and liabilities of the System, with the difference between the two being the System's net position. Increases or decreases in net position are one indicator of whether the System's financial position is improving or deteriorating.

The statements of revenues, expenses, and changes in net position provide the performance of the System over its fiscal year, which is the twelve-month period ended June 30. These statements present the detail of how the net position presented on the statements of net position changed over the fiscal years. All activities that increase or decrease net position are reflected on these statements when they occur rather than when the related cash flow occurs.

The cash flow statements present the increase or decrease in cash and cash equivalents during the fiscal years resulting from the operating, financing, and investing activities of the System. These statements simply present the increases and decreases in cash and cash equivalents without regard to related revenues/receivables and expenses/liabilities.

The notes to financial statements provide further information on the items reported in the basic financial statements. This information is essential for the reader of this report to acquire a full understanding of the amounts in the financial statements and other commitments and events not reflected in the financial statements. The supplementary information also provides further detail on operating expenses, the state-operating grant of the System, the System's federal grants, and amounts owed to organizations with which the System has transportation contracts.

The System as a Whole

The System's net position decreased from the prior year – decreasing from \$26.86 million to \$26.56 million. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the System.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1
Net Position

	2019	2018	2017
Current and Other Assets	\$ 8,127,951	\$ 9,699,963	\$ 7,006,293
Asset Held for Sale	425,536	425,536	425,536
Capital Assets	19,634,204	20,527,618	16,852,424
Total Assets	<u>28,187,691</u>	<u>30,653,117</u>	<u>24,284,253</u>
Current and Other Liabilities	992,780	3,258,495	926,663
Noncurrent Liabilities	632,196	533,842	478,945
Total Liabilities	<u>1,624,976</u>	<u>3,792,337</u>	<u>1,405,608</u>
Net Position:			
Net Investment in Capital Assets	19,601,199	20,494,613	16,819,419
Unrestricted	6,961,516	6,366,167	6,059,226
Total Net Position	<u>\$ 26,562,715</u>	<u>\$ 26,860,780</u>	<u>\$ 22,878,645</u>

Fiscal Year 2019 – The System’s net position decreased by 1.1 percent (\$26.56 million compared to \$26.86 million) during fiscal year 2019.

Capital assets decreased by \$893,414 during fiscal year 2019 due to depreciation of the capital assets.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements, increased by \$595,349 (\$6.962 million compared to \$6.366 million). This increase in unrestricted net position is due to the increase in the fund balance of local capital contributions. This fund is accumulating local contributions from the City of Bloomington and Town of Normal to fund the local share of current and future capital projects.

Fiscal Year 2018 – The System’s net position increased by 17.4 percent (\$26.86 million compared to \$22.88 million) during fiscal year 2018.

Capital assets increased by \$3,675,194 during fiscal year 2018 due to the addition of new buses.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements, increased by \$306,941 (\$6.366 million compared to \$6.059 million). This increase in unrestricted net position is due to the increase in the fund balance of local capital contributions. This fund is accumulating local contributions from the City of Bloomington and Town of Normal to fund the local share of current and future capital projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 2
Changes in Net Position

	2019	2018	2017
Operating Revenues:			
Revenues from Transportation Services	\$ 1,351,668	\$ 1,303,139	\$ 1,251,585
Other Operating Revenues	126,214	86,392	121,139
Total Operating Revenues	1,477,882	1,389,531	1,372,724
Operating Expenses:			
Transportation Services	14,098,561	13,806,137	13,413,346
Operating Loss	(12,620,679)	(12,416,606)	(12,040,622)
Non-Operating Revenues:			
Operating Grants	9,624,771	9,462,517	9,421,050
Local Subsidies	2,097,311	2,041,055	2,165,624
Interest Income	1,592	1,590	2,057
Total Non-Operating Revenues	11,723,674	11,505,162	11,588,731
Income/Loss Before			
Other Revenues	(897,005)	(911,444)	(451,891)
Other Revenues:			
Capital Grants	598,940	4,893,579	2,602,654
Change in Net Position	(298,065)	3,982,135	2,150,763
Net Position, Beginning of Year	26,860,780	22,878,645	20,727,882
Net Position, End of Year	\$ 26,562,715	\$ 26,860,780	\$ 22,878,645

Fiscal Year 2019 – The System’s operating revenues increased by \$88,351 or 6.4 percent in 2019 (\$1,477,882) compared to 2018 (\$1,389,531). Operating expenses increased 2.1 percent (\$292,424).

Factors that led to the increases included:

- Increase in passenger fares
- Increased property insurance expense due to increase in new buses
- Increased salaries and wages
- Increased depreciation expense of capital assets

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2018 – The System's operating revenues increased by \$16,807 or 1.2 percent in 2018 (\$1,389,531) compared to 2017 (\$1,372,724). Operating expenses increased 2.9 percent (\$392,791).

Factors that led to the increases included:

- Increase in passenger fares
- Increased property insurance expense due to increase in new buses
- Increased professional fees due to use of lobbyist
- Increased other operating expenses due to demolition of Oakland Avenue building

Budgetary Highlights

Fiscal Year 2019 – The Board of Trustees approved the System's General Operating Fund budget for fiscal year 2019 on March 27, 2018. The budget included operating expenses of \$13,181,000 excluding depreciation.

- Operating revenue of \$1,477,882 was \$87,118 under budget.
- Operating expenses, less depreciation, totaled \$12,249,546 was \$931,454 under budget.

Fiscal Year 2018 – The Board of Trustees approved the System's General Operating Fund budget for fiscal year 2018 on May 30, 2017. The budget included operating expenses of \$13,548,637 excluding depreciation.

- Operating revenue of \$1,389,531 was \$143,319 under budget.
- Operating expenses, less depreciation, totaled \$12,163,570 was \$1,385,067 under budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset Administration

At the end of fiscal year 2019, the System had \$19.6 million invested in a broad range of capital assets (see Table 3 below). This amount represents a net decrease (including additions and deductions) of \$893,414 or 4.4 percent less than last year, due mainly to accumulated depreciation of capital assets.

Table 3
Capital Assets at Year-End

	2019	2018	2017
Land and Improvements	\$ 1,220,018	\$ 1,220,018	\$ 1,220,018
Construction in Process	61,398	-	73,962
Facilities	9,513,044	9,207,221	9,178,021
Revenue Vehicles	16,415,742	18,869,246	15,714,503
Other Equipment	1,843,105	1,825,408	1,752,022
Less: Accumulated Depreciation	(9,419,103)	(10,594,275)	(11,086,102)
Totals	\$ 19,634,204	\$ 20,527,618	\$ 16,852,424

This year's major additions included:

Construction in Process	\$ 61,398
Building Improvement	305,823
Revenue Vehicles	570,683
Other Equipment	17,697
	\$ 955,601

Fiscal Year 2018 Major Additions Include:

Building Improvement	\$ 29,200
Revenue Vehicles	5,239,566
Other Equipment	141,815
	\$ 5,410,581

The System's fiscal year 2020 capital budget calls for \$1.979 million for capital expenditures. Some of the more significant fiscal year 2020 capital projects include:

Bus Stop Infrastructure Improvements	\$ 105,000
Maintenance Build-out for Showers	100,000
Replace Administration HVAC System	200,000
Customer Service Center in Uptown Station	250,000
Service Vehicles	124,000
Maintenance Rehab	1,200,000
	\$ 1,979,000

More detailed information about the System's capital assets is presented in Note 5 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budget

- For fiscal year 2020, operating assistance from IDOT will again be 65 percent of allowable operating expenses. Because the State of Illinois has passed a budget, there should not be a delay in IDOT making quarterly payments.
- The General Operating Fund budget contained a total of \$13,717,000 for operating expenses in fiscal year 2020.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF NET POSITION
JUNE 30, 2019 AND 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,695,359	\$ 3,975,137
Receivables	929,600	5,183,910
Inventory	237,303	179,895
Prepaid Expenses	265,689	361,021
Total Current Assets	8,127,951	9,699,963
NONCURRENT ASSETS		
Asset Held for Sale	425,536	425,536
Capital Assets		
Land, Construction in Process, not Being Depreciated	1,281,416	1,220,018
Other Property and Equipment, Net of Depreciation	18,352,788	19,307,600
Total Capital Assets, net	19,634,204	20,527,618
Total Noncurrent Assets	20,059,740	20,953,154
Total Assets	\$ 28,187,691	\$ 30,653,117
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable, Including \$33,005 Retainage Payable For 2019 and 2018	\$ 193,747	\$ 2,535,038
Accrued Expenses	335,969	296,673
Unearned Revenue	163,064	126,784
Compensated Absences	300,000	300,000
Total Current Liabilities	992,780	3,258,495
NONCURRENT LIABILITIES		
Compensated Absences, Net of Current Portion	632,196	533,842
Total Liabilities	1,624,976	3,792,337
NET POSITION		
Net Investment in Capital Assets	19,601,199	20,494,613
Unrestricted	6,961,516	6,366,167
Total Net Position	26,562,715	26,860,780
Total Liabilities and Net Position	\$ 28,187,691	\$ 30,653,117

See accompanying Notes to Basic Financial Statements.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Passenger Fares	\$ 807,478	\$ 767,329
Contract Fares	544,190	535,810
Miscellaneous Income	126,214	86,392
Total Operating Revenues	1,477,882	1,389,531
OPERATING EXPENSES		
Salaries and Wages	7,546,803	7,311,970
Depreciation	1,849,015	1,642,567
Fuel and Lubricants	808,359	762,045
Bus Repair and Maintenance	403,217	618,548
Group Insurance	1,140,066	1,044,893
Insurance	606,389	577,853
Payroll Taxes	559,868	540,498
Retirement Plan	301,792	294,981
Professional Fees	247,010	282,257
Supplies	223,957	153,899
Utilities and Telephone	115,780	105,077
Other Operating Expenses	296,305	471,549
Total Operating Expenses	14,098,561	13,806,137
OPERATING LOSS	(12,620,679)	(12,416,606)
NONOPERATING REVENUES		
State of Illinois Operating Assistance Grant	7,886,760	7,719,588
Federal Operating Assistance Grant	1,738,011	1,742,929
Local Subsidies	2,097,311	2,041,055
Interest Income	1,592	1,590
Total Nonoperating Revenues	11,723,674	11,505,162
LOSS BEFORE OTHER REVENUES	(897,005)	(911,444)
OTHER REVENUES		
State of Illinois Capital Grants	598,940	3,360,000
Federal Capital Grants	-	1,533,579
Total Other Revenues	598,940	4,893,579
CHANGE IN NET POSITION	(298,065)	3,982,135
Net Position – Beginning of Year	26,860,780	22,878,645
NET POSITION – END OF YEAR	\$ 26,562,715	\$ 26,860,780

See accompanying Notes to Basic Financial Statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 1,229,400	\$ 1,520,997
Payments to Vendors	(7,006,110)	(4,976,034)
Payments to Employees	(7,409,153)	(7,219,301)
Net Cash Used by Operating Activities	(13,185,863)	(10,674,338)
 CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
State Operating Assistance Grant Proceeds Received	11,269,287	6,303,448
Federal Operating Assistance Grant Proceeds Received	2,561,223	701,182
Net Cash Provided by Noncapital and Related Financing Activities	13,830,510	7,004,630
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Capital Grant Proceeds Received	598,940	3,360,000
Federal Capital Grant Proceeds Received	333,333	1,200,246
Local Subsidies Received	2,097,311	2,041,055
Purchases of Capital Assets	(955,601)	(3,015,140)
Net Cash Provided by Capital and Related Financing Activities	2,073,983	3,586,161
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,592	1,590
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,720,222	(81,957)
Cash and Cash Equivalents – Beginning of Year	3,975,137	4,057,094
 CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 6,695,359	\$ 3,975,137
 NONCASH ACTIVITIES		
Capital Asset Additions Included in Accounts Payable	\$ -	\$ 2,302,621

See accompanying Notes to Basic Financial Statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	\$ (12,620,679)	\$ (12,416,606)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	1,849,015	1,642,567
Effects of Changes in Operating Assets and Liabilities:		
Receivables	(284,762)	106,851
Inventory	(57,408)	49,480
Prepaid Expenses	95,332	(140,738)
Accounts Payable	(2,341,291)	(33,176)
Accrued Expenses	39,296	37,772
Compensated Absences	98,354	54,897
Unearned Revenue	36,280	24,615
Net Cash Used in Operating Activities	<u>\$ (13,185,863)</u>	<u>\$ (10,674,338)</u>

See accompanying Notes to Basic Financial Statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Bloomington-Normal Public Transit System (the System) was formed as an agency of the City of Bloomington (Bloomington) and the Town of Normal (Normal) in 1972. The purpose of the System is to provide transportation services within the City of Bloomington and the Town of Normal. The System is governed by a Board of Trustees appointed by the city and town councils of Bloomington and Normal, respectively. The System operates as an enterprise fund, which accounts for operation in a manner similar to private business enterprises – where the intent of the governing body (the Board of Trustees) is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. Funding is provided primarily by annual grants from the Federal Transit Administration (FTA) (12% of 2019 revenues and 18% of 2018 revenues), the Illinois Department of Transportation (IDOT) (61% of 2019 revenues and 62% of 2018 revenues), and subsidies from Bloomington and Normal (15% of 2019 revenues and 11% of 2018 revenues).

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The financial reporting entity consists of (a) the primary government, the System, which has a separately appointed governing body, is legally separate and fiscally independent of other state and local governments, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The System is an independent special purpose government in that it has the authority to determine its budget, set rates or levy taxes, and issue bonded debt without approval by another government.

There are no component units of the System nor is the System dependent on any other entity.

The financial statements of the System are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the purposes of preparing the statement of cash flows, cash equivalents include demand deposits and funds held in money market accounts.

Receivables are reported at the estimated net realized amounts from third-party payers and others for services rendered. Receivables are stated at the amount management expects to collect or the outstanding balance. The allowance for doubtful receivables was \$-0- at June 30, 2019 and 2018.

Prepaid expenses, such as for insurance, are expensed over the term in which the services were received.

Inventories are stated at cost. Inventory consists of the value of on hand bus tokens, outstanding bus tokens, and replacement parts for bus repair.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Purchased capital assets are valued at actual or estimated historical cost, while donated capital assets are valued at their acquisition value at the time of donation. Assets are capitalized if they are valued at more than \$10,000 and have a useful life of more than one year. Depreciation is calculated on all capital assets other than land, works of art, and assets that appreciate in value using the straight-line method and the following useful lives:

Vehicles	3 – 12 Years
Furniture and Equipment	3 – 15 Years
Buildings and Improvements	10 – 50 Years

It is the System's policy to allow employees to accumulate unused compensated absences. The System calculates the liability for unused sick leave included in compensated absences using the vesting method. The cost of these benefits is recorded on the financial statements in the fiscal year earned by the employees.

The System reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. No deferred outflows of resources are reported in these financial statements.

The System's statements of net position report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The System will not recognize the related revenue until a future event occurs. No deferred inflows of resources are reported in these financial statements.

Operating revenues include all revenues from the provision of a service by the System. These services consist of the provision of public transportation. All other revenues are considered nonoperating or other revenues.

Operating grant revenue is recognized as it is earned. Capital grant revenue is recorded as capital grant expenditures are incurred. Receivables result principally from amounts due from FTA and IDOT.

The System's policy is to apply restricted resources first when an expense is incurred for a purpose for which both restricted and unrestricted net position are available.

A budget is adopted annually by the Board of Trustees, as required by ordinances enacted by Bloomington and Normal.

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

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 2 DEPOSITS AND INVESTMENTS

State statutes authorize the System to invest in: direct obligations of federally insured banks and savings and loan associations; insured obligations of Illinois credit unions; securities issued or guaranteed by the U.S. Government; money market mutual funds investing only in U.S. Government based securities; commercial paper of U.S. corporations with assets over \$500 million; short-term obligations of the Federal National Mortgage Association; repurchase agreements; and the investment pools managed by the State Treasurer of Illinois.

The System currently deposits all funds in Commerce Bank.

Custodial Credit Risk – Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the System’s deposits may not be returned to it. At June 30, 2019 and 2018, the System’s \$6,873,780 and \$3,983,945 bank balance, respectively, was fully insured or collateralized.

Interest Rate and Credit Risk

The System’s investment policy addresses interest rate risk by (a) structuring investment maturities to meet operating cash needs and (b) investing operating funds primarily in short-term securities, money market mutual funds, or similar investment pools with average maturities consistent with the policy. The System’s investment policy addresses credit risk by (a) limiting the types of investments allowed, (b) prequalifying financial institutions, brokers, and advisors, and (c) diversifying its portfolio.

NOTE 3 RECEIVABLES

Receivables were as follows at June 30:

	<u>2019</u>	<u>2018</u>
Federal Operating Assistance Grant	\$ 546,547	\$ 1,703,092
State of Illinois Operating Assistance Grant	63,801	3,446,328
Other	319,252	34,490
Totals	<u>\$ 929,600</u>	<u>\$ 5,183,910</u>

Operating Assistance Grants

The final estimated operating grant amounts from FTA and IDOT are subject to review and approval of the eligible expenses by IDOT. The receivable amounts above are based on eligible expenses as calculated by management and management is not aware of any potential changes to the eligible expenses as of the date of the auditors’ report.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 4 ASSETS HELD FOR SALE

During fiscal year 2011, the System adopted a plan to dispose of the land, building, and office furniture located at 104 East Oakland Avenue in Bloomington, Illinois. The assets were considered held for sale as the System closed the building upon the completion of construction of new facilities. The capital assets held for sale were deemed not to be impaired and were carried at net book value at the time of closure. During fiscal year 2015, the System began leasing this property. In fiscal year 2016, the lease was terminated. During fiscal year 2018, the building was demolished and office furniture disposed of. The remaining asset is classified as an investment (assets held for sale) and is carried at net book value as of June 30, 2019, which is lower of cost or net realizable value.

NOTE 5 CAPITAL ASSETS, NET

The changes in capital assets for fiscal year 2019 were as follows:

	June 30, 2018	Additions	Disposals	June 30, 2019
Not Being Depreciated:				
Land	\$ 1,220,018	\$ -	\$ -	\$ 1,220,018
Construction in Process	-	61,398	-	61,398
Total Capital Assets, not Being Depreciated	1,220,018	61,398	-	1,281,416
Being Depreciated:				
Buildings and Improvements	9,207,221	305,823	-	9,513,044
Vehicles	18,869,246	570,683	(3,024,187)	16,415,742
Furniture and Equipment	1,825,408	17,697	-	1,843,105
Total Capital Assets, Being Depreciated	29,901,875	894,203	(3,024,187)	27,771,891
Less: Accumulated Depreciation				
Buildings and Improvements	(1,741,851)	(238,089)	-	(1,979,940)
Vehicles	(7,114,226)	(1,278,220)	3,024,187	(5,368,259)
Furniture and Equipment	(1,738,198)	(332,706)	-	(2,070,904)
Total Accumulated Depreciation	(10,594,275)	(1,849,015)	3,024,187	(9,419,103)
Capital Assets, Net	<u>\$ 20,527,618</u>	<u>\$ (893,414)</u>	<u>\$ -</u>	<u>\$ 19,634,204</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

The changes in capital assets for fiscal year 2018 were as follows:

	June 30, 2017	Additions	Disposals	June 30, 2018
Not Being Depreciated:				
Land	\$ 1,220,018	\$ -	\$ -	\$ 1,220,018
Construction in Process	73,962	-	(73,962)	-
Total Capital Assets, not Being Depreciated	1,293,980	-	(73,962)	1,220,018
Being Depreciated:				
Buildings and Improvements	9,178,021	29,200	-	9,207,221
Vehicles	15,714,503	5,239,566	(2,084,823)	18,869,246
Furniture and Equipment	1,752,022	141,815	(68,429)	1,825,408
Total Capital Assets, Being Depreciated	26,644,546	5,410,581	(2,153,252)	29,901,875
Less: Accumulated Depreciation				
Buildings and Improvements	(1,503,762)	(238,089)	-	(1,741,851)
Vehicles	(8,117,932)	(1,062,259)	2,065,965	(7,114,226)
Furniture and Equipment	(1,464,408)	(342,219)	68,429	(1,738,198)
Total Accumulated Depreciation	(11,086,102)	(1,642,567)	2,134,394	(10,594,275)
Capital Assets, Net	<u>\$ 16,852,424</u>	<u>\$ 3,768,014</u>	<u>\$ (92,820)</u>	<u>\$ 20,527,618</u>

Depreciation for transit operations for the years ended June 30, 2019 and 2018 was \$1,849,015 and \$1,642,567, respectively.

NOTE 6 NONCURRENT LIABILITIES

The following is a summary of changes in noncurrent liabilities for the years ended June 30:

	June 30, 2018	Issued	Retired	June 30, 2019	Due Within One Year
Accrued Compensated Absences	<u>\$ 833,842</u>	<u>\$ 888,747</u>	<u>\$ (790,393)</u>	<u>\$ 932,196</u>	<u>\$ 300,000</u>
	June 30, 2017	Issued	Retired	June 30, 2018	Due Within One Year
Accrued Compensated Absences	<u>\$ 778,945</u>	<u>\$ 809,956</u>	<u>\$ (755,059)</u>	<u>\$ 833,842</u>	<u>\$ 300,000</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 7 DEFERRED COMPENSATION PLAN

The System offers its employees a deferred compensation plan (Plan) in accordance with Internal Revenue Code Section 457, administered by the ICMA Retirement Corporation. Each participant has an individual account with ICMA into which all contributions flow. The participants are offered various investment options through the Plan and are allowed to invest funds in their account at their own discretion among the options. The System may amend, modify, or terminate the Plan provided it transmits such an amendment at least 30 days prior to the effective date of the amendment. The Plan is available to all employees who have completed twelve months of service. Deferred compensation is not available to employees until termination, death, or unusual emergency. A participant may contribute the lesser of \$7,500 adjusted annually for inflation or 33.33% of their includible compensation. The System contributes 5% of the participants' includible compensation in each year less an amount equal to the annual premium necessary to fund the primary death benefit for each employee (active employees only). Contributions to the Plan for the year ended June 30, 2019 totaled \$723,840, which consisted of \$422,048 contributed by the employees and \$301,792 contributed by the System. Contributions to the Plan for the year ended June 30, 2018 totaled \$682,122, which consisted of \$387,141 contributed by the employees and \$294,981 contributed by the System.

The assets of the Plan are held in a trust for the exclusive benefit of the Plan participants. Since the System does not hold the assets in a trustee capacity, nor does it have fiduciary accountability for the Plan assets, the Plan assets are not included in the financial statements.

NOTE 8 INSURANCE COVERAGE

The System is exposed to various risks related to torts, theft or damage of capital assets, error or omissions and natural disasters for which the System carries insurance. There was no significant reduction in insurance coverage from the prior year. The System self-insures for physical damage to vehicles not covered by another party's insurance. There have been no settlement amounts that have exceeded insurance coverage in the past three years.

NOTE 9 RELATED PARTY TRANSACTIONS

As described in Note 1, the System receives annual subsidies from the City of Bloomington and Town of Normal to provide for the operational expense and purchase of capital assets not funded by federal and state capital grants. For the year ended June 30, 2019, payments received from the City of Bloomington and Town of Normal totaled \$1,212,479 and \$884,832, respectively. For the year ended June 30, 2018, payments received from the City of Bloomington and Town of Normal totaled \$1,183,792 and \$857,263, respectively.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018**

NOTE 10 COMMITMENTS AND CONTINGENCIES

In April 2016, the System entered into a commitment to lease tires for its revenue vehicles. The contract goes through March 2020 and covers the three major tire sizes utilized by the System. The lease amount is variable and is based upon the number of miles driven with fixed amounts based on tire tread wear measurements. The approximate per fiscal year cost related to this contract is estimated at \$100,000. During fiscal year 2019, the system had a refund of \$30,048, while in fiscal year 2018 the system had actual expenses of \$80,866.

As of year-end, the System has entered into several contracts totaling \$2,514,242, for which the amount paid or accrued at year-end related to these contracts was \$1,549,559. The remaining balance on these contracts is \$964,683 at June 30, 2019. These contracts were for ADA paratransit eligibility services, automatic ticketing system, tire lease, oils, lubricants, fuel, lease of electronic cars, on board surveys, radio services, bus stop improvements, and financial audit services.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
CONSOLIDATED YEAR-END FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019**

CSFA Number	Program Name	State	Federal	Other	Total
494-80-0339	Transit 5310 Enhanced Mobility of Seniors and Individuals with Disabilities - Small Urbanized	\$ 274,893	\$ -	\$ -	\$ 274,893
494-80-1139	Transit 5339 Bus & Bus Facilities Formula - Small Urbanized	295,790	-	-	295,790
494-80-1141	Transit Downstate Operating Assistance Program	7,886,760	1,738,011	2,508,706	12,133,477
494-80-1284	Transit Downstate Transit Improvement Fund Program	28,257	-	-	28,257
	All Other Costs Not Allocated	-	-	1,366,144	1,366,144
	Total	\$ 8,485,700	\$ 1,738,011	\$ 3,874,850	\$ 14,098,561

SUPPLEMENTARY INFORMATION

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF COMPUTATION OF FEDERAL OPERATING ASSISTANCE GRANT
YEAR ENDED JUNE 30, 2019**

Operating Expenses, Excluding Depreciation	\$ 12,249,546
Less: Ineligible Expenses:	
APTA and IPTA Dues	(3,500)
Advertising Expenses	(85,143)
Lobbying Expense	(112,000)
Miscellaneous Expense	(569)
Total Eligible Operating Expenses	12,048,334
Less: Offsets to Total Eligible Operating Expenses:	
Passenger Fares	(1,351,668)
Interest Income	(1,592)
City of Bloomington and Town of Normal Support	(1,000,000)
Miscellaneous Income	(125,645)
Federal Project Cost, Net	9,569,429
Federal Participation Rate Limit	0.5
Federal Participation Limit	\$ 4,784,715
Actual Federal Participation:	
Federal Project Cost, Net	\$ 9,569,429
State Operating Assistance	(7,886,760)
State Operating Assistance Applied to Costs Ineligible for Federal Operating Assistance	55,342
Calculated Federal Operating Assistance	1,738,011
Maximum Federal Operating Assistance	1,738,011
Actual Federal Operating Assistance – Lessor of Calculated and Maximum Federal Operating Assistance	1,738,011
Payments Received from FTA as of June 30, 2019	1,191,464
Due from FTA as of June 30, 2019	\$ 546,547

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF REVENUE AND EXPENSES UNDER DOWNSTATE
OPERATING ASSISTANCE GRANT OP-19-07-IL
YEAR ENDED JUNE 30, 2019**

OPERATING REVENUES AND INCOME

401	Passenger Fares for Transit Services	\$ 688,935
402	Special Transit Fares	662,733
406	Auxiliary Revenue	125,645
407	Nontransportation Revenue	1,592
409	Bloomington and Normal Operating Support	1,000,000
	Revenue Recorded in Fiscal Year 2019	<u>1,000,000</u>

Total Operating Revenue and Income 2,478,905

OPERATING EXPENSES

501	Labor	7,546,803
502	Fringe Benefits	1,724,318
503	Professional Services	293,109
504	Materials and Supplies Consumed	1,406,970
505	Utilities	116,964
506	Casualty and Liability	335,624
507	Vehicle Inspection & Registration	588,017
509	Miscellaneous Expense	237,741
	Total Operating Expenses	<u>12,249,546</u>

Less: Ineligible Expenses:

APTA and IPTA Dues	3,500
Lobbying Expense	112,000
Miscellaneous Expense	569
Total Ineligible Expenses	<u>116,069</u>

Total Eligible Operating Expenses \$ 12,133,477

Total Eligible Operating Expenses \$ 12,133,477

Total Operating Revenue and Income 2,478,905

Deficit (9,654,572)

65% of Eligible Expense 7,886,760

Maximum Contract Amount 8,689,800

Eligible Downstate Operating Assistance

(Deficit, 65% of Eligible Expense, or Maximum Contract Amount,
Whichever is Less) 7,886,760

FY19 Downstate Operating Assistance Received

(Through June 30, 2019) 7,951,486

FY19 Downstate Operating Assistance

Received (Subsequent to June 30, 2019) -

FY18 Downstate Operating Assistance Over Paid \$ (64,726)

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF COMPUTATION OF AMOUNT DUE
ILLINOIS STATE UNIVERSITY
YEAR ENDED JUNE 30, 2019**

Universal Access Service Agreement	\$ 544,190
Balance Due from (to) ISU as of July 1, 2018	-
Service Payments Received from ISU During Fiscal Year 2019	<u>(544,190)</u>
Balance Due from (to) ISU as of June 30, 2019	<u><u>\$ -</u></u>

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

STATISTICAL SECTION

The following section of Bloomington-Normal Public Transit System's comprehensive annual financial report provides detailed statistical information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the system's overall health.

Contents	Page
Financial Trends	33-34
These schedules contain trend information to help the reader understand how the System's financial performance and well-being have changed over time.	
Revenue Capacity	35-36
These schedules contain information to help the reader assess the System's most significant revenue source.	
Demographic and Economic Information	37-38
These schedules offer demographic and economic indicators to help the reader understand the environment within which the System's financial activities take place.	
Operating Information	39-43
These schedules contain service and infrastructure data to help the reader understand how the information in the System's financial report relates to the services it provides and the activities it performs.	

Bloomington-Normal Public Transit System
 Net Position by Component, Last Ten Fiscal Years
 Unaudited

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position										
Net investment in capital assets	19,601,199	20,494,613	16,819,419	14,665,222	12,014,623	12,391,162	13,485,312	13,365,024	12,800,910	11,016,204
Unrestricted	<u>6,961,516</u>	<u>6,366,167</u>	<u>6,059,226</u>	<u>6,062,660</u>	<u>6,403,141</u>	<u>6,117,621</u>	<u>5,067,358</u>	<u>4,348,134</u>	<u>5,553,098</u>	<u>6,432,886</u>
Total Net Position	<u><u>26,562,715</u></u>	<u><u>26,860,780</u></u>	<u><u>22,878,645</u></u>	<u><u>20,727,882</u></u>	<u><u>18,417,764</u></u>	<u><u>18,508,783</u></u>	<u><u>18,552,670</u></u>	<u><u>17,713,158</u></u>	<u><u>18,354,008</u></u>	<u><u>17,449,090</u></u>

Notes:

1) Data source - Audited Financial Statements

Bloomington-Normal Public Transit System
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Revenues										
Passenger and Contract Fares	\$ 1,351,668	\$ 1,303,139	\$ 1,251,585	\$ 1,413,686	\$ 1,433,468	\$ 1,371,605	\$ 1,356,584	\$ 1,186,308	\$ 1,034,840	\$ 975,866
Other Operating Revenue	126,214	86,392	121,139	151,208	119,683	16,257	16,411	21,524	12,034	17,906
Total Operating Revenues	<u>1,477,882</u>	<u>1,389,531</u>	<u>1,372,724</u>	<u>1,564,894</u>	<u>1,553,151</u>	<u>1,387,862</u>	<u>1,372,995</u>	<u>1,207,832</u>	<u>1,046,874</u>	<u>993,772</u>
Operating Expenses										
Salaries and Wages	7,546,803	7,311,970	7,260,197	6,397,683	6,170,601	5,695,108	5,016,369	5,012,670	4,660,768	4,004,861
Fuel and Lubricants	808,359	762,045	699,424	861,354	1,126,709	1,154,578	1,217,346	1,125,364	1,010,569	785,621
Bus Repair and Maintenance	403,217	618,548	609,181	681,126	572,623	596,531	808,975	378,001	531,994	414,012
Group Insurance	1,140,066	1,044,893	1,198,596	708,477	717,808	643,651	536,483	472,227	398,651	393,068
Insurance	606,389	577,853	454,432	473,071	411,638	457,147	484,561	445,380	405,671	310,584
Payroll Taxes	559,868	540,498	536,482	471,485	452,265	419,941	387,083	375,219	359,984	308,569
Retirement Plan	301,792	294,981	260,335	229,349	211,207	195,183	185,759	188,335	153,953	160,322
Professional Fees	247,010	282,257	212,904	314,365	108,573	83,241	163,027	53,577	121,338	139,578
Supplies	223,957	153,899	150,810	163,364	92,560	146,152	148,762	-	-	-
Utilities and Telephone	115,780	105,077	117,286	104,102	128,635	127,004	115,000	105,660	106,561	45,342
Other Operating Expenses	296,305	471,549	342,831	393,152	366,041	320,478	224,294	216,559	413,304	289,610
Depreciation	1,849,015	1,642,567	1,570,868	1,194,661	1,121,471	1,327,202	1,348,075	1,079,311	803,769	637,378
Total Operating Expenses	<u>14,098,561</u>	<u>13,806,137</u>	<u>13,413,346</u>	<u>11,992,189</u>	<u>11,480,131</u>	<u>11,166,216</u>	<u>10,635,734</u>	<u>9,452,303</u>	<u>8,966,562</u>	<u>7,488,945</u>
Operating Loss	<u>(12,620,679)</u>	<u>(12,416,606)</u>	<u>(12,040,622)</u>	<u>(10,427,295)</u>	<u>(9,926,980)</u>	<u>(9,778,354)</u>	<u>(9,262,739)</u>	<u>(8,244,471)</u>	<u>(7,919,688)</u>	<u>(6,495,173)</u>
Non-Operating Revenues										
State Operating Grants	7,886,760	7,719,588	7,681,950	7,064,354	6,721,529	6,378,435	6,029,509	5,437,594	5,158,043	4,372,037
Federal Operating Grants	1,738,011	1,742,929	1,739,100	2,131,109	2,025,608	2,024,376	1,868,335	1,107,464	1,742,042	1,362,514
Local Subsidies	2,097,311	2,041,055	2,165,624	1,205,110	986,934	928,820	901,946	866,025	821,130	863,010
Interest Income	1,592	1,590	2,057	4,157	5,023	4,133	3,026	2,622	6,167	6,777
Capital Grants	598,940	4,893,579	2,602,654	2,332,683	96,867	398,703	1,299,435	189,916	1,097,224	5,871,131
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Revenues	<u>12,322,614</u>	<u>16,398,741</u>	<u>14,191,385</u>	<u>12,737,413</u>	<u>9,835,961</u>	<u>9,734,467</u>	<u>10,102,251</u>	<u>7,603,621</u>	<u>8,824,606</u>	<u>12,475,469</u>
Changes in Net Position	\$ (298,065)	\$ 3,982,135	\$ 2,150,763	\$ 2,310,118	\$ (91,019)	\$ (43,887)	\$ 839,512	\$ (640,850)	\$ 904,918	\$ 5,980,296

Notes:

1) Data source - Audited Financial Statements

Bloomington-Normal Public Transit System
Revenue By Source, Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Federal and State Grants	Local Subsidies	Passenger and Contract Fares	Interest Income	Other Operating Revenue	Total
2019	\$ 10,223,711	\$ 2,097,311	\$ 1,351,668	\$ 1,592	\$ 126,214	\$ 13,800,496
2018	14,356,096	2,041,055	1,303,139	1,590	86,392	17,788,272
2017	12,023,704	2,165,624	1,251,585	2,057	121,139	15,564,109
2016	11,528,146	1,205,110	1,413,686	4,157	151,208	14,302,307
2015	8,843,704	986,934	1,433,468	5,023	119,683	11,388,812
2014	8,801,514	928,820	1,371,605	4,133	16,257	11,122,329
2013	9,197,279	901,946	1,356,584	3,026	16,411	11,475,246
2012	6,734,974	866,025	1,186,308	2,622	21,524	8,811,453
2011	7,997,309	821,130	1,034,840	6,167	12,034	9,871,480
2010	11,605,682	863,010	975,866	6,777	17,906	13,469,241

Notes:

1) Data source - Audited Financial Statements

Bloomington-Normal Public Transit System
Revenue Payers
Current Year and Nine Years Ago
Unaudited

	2019			2010		
	Total Revenue	Rank	Percentage of Total Revenue	Total Revenue	Rank	Percentage of Total Revenue
Illinois Department of Transportation	\$ 8,485,700	1	61.5%	\$ 4,373,807	2	32.5%
Federal Transit Administration	1,738,011	2	12.6%	7,231,875	1	53.7%
	\$ 10,223,711		74.1%	\$ 11,605,682		86.2%

Notes:

1) Data source - Audited Financial Statements

Bloomington-Normal Public Transit System
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population (1)	Per Capita Personal Income (2)	Personal Income (thousands)	Unemployment Rate (1)
2019	132,704	\$ 47,350	6,283,534,400	4.2%
2018	132,902	45,539	6,052,224,178	4.1%
2017	132,269	44,397	5,872,346,793	5.1%
2016	133,324	43,064	5,741,464,736	4.9%
2015	133,324	43,479	5,796,794,196	5.5%
2014	131,570	42,508	5,592,777,560	7.3%
2013	129,843	41,664	5,409,778,752	6.9%
2012	129,107	39,160	5,055,830,120	7.2%
2011	126,983	38,552	4,895,448,616	7.7%
2010	125,082	39,010	4,879,448,820	7.1%

Notes:

- 1) Data source - Bloomington-Normal Economic Development Council Demographic Profile
- 2) US Commerce Department - Bureau of Economic Analysis.

Bloomington-Normal Public Transit System
Principal Employers in the City of Bloomington and Town of Normal
Current Year and Nine Years Ago
Unaudited

Employer	2019			2010		
	Employees	Rank	Percentage of Total City and Town Employment	Employees	Rank	Percentage of Total City and Town Employment
State Farm Insurance	14,200	1	16.2%	15,359	1	17.0%
Illinois State University	3,319	2	3.8%	3,542	2	3.9%
Country Financial	2,034	3	2.3%	2,174	3	2.4%
Unit 5 School District	1,600	4	1.8%	2,037	4	2.3%
OSF - St. Joseph Medical Center	1,408	5	1.6%	1,096	7	1.2%
Advocate BroMenn Medical Center	1,337	6	1.5%	2,006	5	2.2%
McLean County	846	7	1.0%	806	8	0.9%
Afni, Inc.	830	8	0.9%	750	9	0.8%
City of Bloomington	715	9	0.8%	600	11	0.7%
District 87 Schools	868	10	1.0%	699	10	0.8%
Mitsubishi Motor Manufacturing				1,303	6	1.4%
Total Principal Employees	27,157		30.9%	30,372		33.7%
Total Bloomington-Normal Labor Force	87,889			90,147		

Notes:

1) Data source - Bloomington-Normal Economic Development Council Demographic Profile

Bloomington-Normal Public Transit System
 Full-Time Equivalent Employees by Function, Last Ten Fiscal Years
 Unaudited

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Transit Operations	106.0	103.0	97.0	89.0	81.0	82.0	82.0	97.4	92.6	58.3
Maintenance	17.0	21.0	19.0	17.0	16.0	15.0	12.1	16.2	16.9	10.9
Administration	15.0	11.0	11.0	18.0	13.0	13.0	11.0	8.5	5.8	4.4
Total	<u>138.0</u>	<u>135.0</u>	<u>127.0</u>	<u>124.0</u>	<u>110.0</u>	<u>110.0</u>	<u>105.1</u>	<u>122.1</u>	<u>115.3</u>	<u>73.6</u>

Notes:

- 1) 2019 data source - Bloomington-Normal Public Transit System
- 2) 2018 and years prior - National Transit Database data

Bloomington-Normal Public Transit System
Selected Operating Information, Last Ten Fiscal Years
Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Unlinked Passenger Trips										
A. Fixed Route	2,442,954	2,240,810	2,217,641	2,427,565	2,654,677	2,521,963	2,009,241	2,033,698	1,807,676	1,227,183
B. Demand Response	90,518	89,313	83,366	75,477	74,134	65,382	58,035	50,249	41,558	34,191
Total	<u>2,533,472</u>	<u>2,330,123</u>	<u>2,301,007</u>	<u>2,503,042</u>	<u>2,728,811</u>	<u>2,587,345</u>	<u>2,067,276</u>	<u>2,083,947</u>	<u>1,849,234</u>	<u>1,261,374</u>
Passenger Miles										
A. Fixed Route	6,463,762	6,725,658	6,737,597	7,354,690	7,436,845	7,767,646	6,228,647	6,304,134	5,595,838	3,424,263
B. Demand Response	506,747	497,119	486,869	428,145	398,609	372,205	342,753	250,107	250,102	198,414
Total	<u>6,970,509</u>	<u>7,222,777</u>	<u>7,224,466</u>	<u>7,782,835</u>	<u>7,835,454</u>	<u>8,139,851</u>	<u>6,571,400</u>	<u>6,554,241</u>	<u>5,845,940</u>	<u>3,622,677</u>
Total Actual Miles										
A. Fixed Route	1,351,881	1,375,623	1,430,661	1,334,158	1,310,106	1,312,781	1,347,599	1,363,483	1,325,020	1,401,989
B. Demand Response	440,826	422,061	419,883	408,808	385,865	353,422	291,905	319,696	299,418	219,119
Total	<u>1,792,707</u>	<u>1,797,684</u>	<u>1,850,544</u>	<u>1,742,966</u>	<u>1,695,971</u>	<u>1,666,203</u>	<u>1,639,504</u>	<u>1,683,179</u>	<u>1,624,438</u>	<u>1,621,108</u>
Total Actual Hours										
A. Fixed Route	111,124	115,140	119,722	94,575	93,933	93,148	93,566	93,478	93,238	96,336
B. Demand Response	35,663	33,853	31,475	30,643	30,266	28,953	21,795	21,470	21,462	17,556
Total	<u>146,787</u>	<u>148,993</u>	<u>151,197</u>	<u>125,218</u>	<u>124,199</u>	<u>122,101</u>	<u>115,361</u>	<u>114,948</u>	<u>114,700</u>	<u>113,892</u>

Notes:

- 1) 2019 data source - Bloomington-Normal Public Transit System
- 2) 2018 and years prior - National Transit Database data

Bloomington-Normal Public Transit System
Selected Operating Information (continued), Last Ten Fiscal Years
Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Vehicle Revenue Miles										
A. Fixed Route	1,293,762	1,297,165	1,306,691	1,287,354	1,266,037	1,266,588	1,303,831	1,319,705	1,282,627	1,371,209
B. Demand Response	378,915	364,377	365,955	352,242	341,637	292,029	252,160	272,245	249,544	188,256
Total	<u>1,672,677</u>	<u>1,661,542</u>	<u>1,672,646</u>	<u>1,639,596</u>	<u>1,607,674</u>	<u>1,558,617</u>	<u>1,555,991</u>	<u>1,591,950</u>	<u>1,532,171</u>	<u>1,559,465</u>
Vehicle Revenue Hours										
A. Fixed Route	108,169	111,187	113,325	92,315	91,253	90,579	90,913	91,302	90,826	92,860
B. Demand Response	31,213	30,022	27,753	26,479	26,078	24,591	19,486	19,834	19,230	16,737
Total	<u>139,382</u>	<u>141,209</u>	<u>141,078</u>	<u>118,794</u>	<u>117,331</u>	<u>115,170</u>	<u>110,399</u>	<u>111,136</u>	<u>110,056</u>	<u>109,597</u>
Total Operating Expenses										
A. Fixed Route	9,217,585	9,243,650	9,252,731	8,197,286	7,891,011	7,691,160	7,548,159	6,753,206	6,448,625	5,619,022
B. Demand Response	3,031,961	2,919,920	2,589,747	2,588,244	2,467,647	2,129,852	1,739,500	1,522,250	1,213,754	1,121,624
Total	<u>12,249,546</u>	<u>12,163,570</u>	<u>11,842,478</u>	<u>10,785,530</u>	<u>10,358,658</u>	<u>9,821,012</u>	<u>9,287,659</u>	<u>8,275,456</u>	<u>7,662,379</u>	<u>6,740,646</u>
Fare Revenue										
A. Fixed Route	1,216,019	1,169,718	1,127,929	1,280,909	1,303,049	1,252,642	1,248,514	1,079,540	944,518	922,362
B. Demand Response	135,649	133,421	123,656	132,776	130,418	118,962	108,070	106,768	90,314	56,504
Total	<u>1,351,668</u>	<u>1,303,139</u>	<u>1,251,585</u>	<u>1,413,685</u>	<u>1,433,467</u>	<u>1,371,604</u>	<u>1,356,584</u>	<u>1,186,308</u>	<u>1,034,832</u>	<u>978,866</u>

Notes:

- 1) 2019 data source - Bloomington-Normal Public Transit System
- 2) 2018 and years prior - National Transit Database data

Bloomington-Normal Public Transit System
 Selected Operating Information (continued), Last Ten Fiscal Years
 Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Cost per Passenger Mile										
A. Fixed Route	1.43	1.37	1.37	1.11	1.06	0.99	1.21	1.07	1.15	1.64
B. Demand Response	5.98	5.88	5.32	6.05	6.19	5.72	5.08	6.09	4.85	5.65
Cost per Total Actual Mile										
A. Fixed Route	6.82	6.72	6.47	6.14	6.02	5.86	5.60	4.95	4.87	4.01
B. Demand Response	6.88	6.92	6.17	6.33	6.40	6.03	5.96	4.76	4.05	5.12
Cost per Unlinked Passenger Trip										
A. Fixed Route	3.77	4.12	4.17	3.38	2.97	3.05	3.76	3.32	3.57	4.58
B. Demand Response	33.50	32.72	31.06	34.29	33.29	32.58	29.97	30.29	29.21	32.80
Cost per Total Actual Hour										
A. Fixed Route	82.95	80.26	77.29	86.67	84.01	82.57	80.67	72.24	69.16	58.33
B. Demand Response	85.02	86.33	82.28	84.46	81.53	73.56	79.81	70.90	56.55	63.89
Fare Revenue per Passenger Trip										
A. Fixed Route	0.50	0.52	0.51	0.53	0.49	0.50	0.62	0.50	0.50	0.80
B. Demand Response	1.50	1.49	1.48	1.76	1.76	1.82	1.86	2.10	2.20	1.60

Notes:

- 1) 2019 data source - Bloomington-Normal Public Transit System
- 2) 2018 and years prior - National Transit Database data

Bloomington-Normal Public Transit System
 Selected Operating Information (continued), Last Ten Fiscal Years
 Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Full-Time Equivalent Employees										
A. Fixed Route	108.05	105.85	100.10	96.31	88.14	88.10	84.30	97.10	93.60	60.70
B. Demand Response	29.95	29.15	26.90	27.69	21.86	21.90	20.80	25.00	21.70	12.90
Total	<u>138.00</u>	<u>135.00</u>	<u>127.00</u>	<u>124.00</u>	<u>110.00</u>	<u>110.00</u>	<u>105.10</u>	<u>122.10</u>	<u>115.30</u>	<u>73.60</u>
Capital Assets - Revenue Vehicles										
A. Fixed Route	39.00	37.00	42.00	40.00	35.00	35.00	29.00	29.00	32.00	32.00
B. Demand Response	18.00	17.00	13.00	16.00	21.00	21.00	21.00	13.00	13.00	8.00
Total	<u>57.00</u>	<u>54.00</u>	<u>55.00</u>	<u>56.00</u>	<u>56.00</u>	<u>56.00</u>	<u>50.00</u>	<u>42.00</u>	<u>45.00</u>	<u>40.00</u>

Notes:

- 1) 2019 data source - Bloomington-Normal Public Transit System
- 2) 2018 and years prior - National Transit Database data

SINGLE AUDIT SECTION



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Bloomington-Normal Public Transit System
Normal, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bloomington-Normal Public Transit System (the System), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated October 15, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System'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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Champaign, Illinois
October 15, 2019



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Bloomington-Normal Public Transit System
Normal, Illinois

Report on Compliance for Each Major Federal Program

We have audited the Bloomington-Normal Public Transit System's (the System) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the System's major federal programs for the year ended June 30, 2019. The System's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Champaign, Illinois
October 15, 2019

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Grant Number	Total Awards Expended	Passed Through to Subrecipients
U.S. Department of Transportation –				
Federal Transit Administration Direct:				
Urbanized Area Formula Grants, Section 5307				
Used for Operations	20.507	* IL-2018-010-00	\$ 1,738,011	\$ -
Total Federal Transit Cluster			\$ 1,738,011	\$ -

* Denotes a Major Program

Notes to Schedule of Expenditures of Federal Awards:

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Bloomington-Normal Public Transit System's programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the financial position, changes in net position, or cash flows of the System.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The System has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Nonmonetary Assistance

The System did not receive any federal awards in the form of noncash assistance for insurance in effect during the year, loans, or loan guarantees during the fiscal year ended June 30, 2019.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

20.507

Name of Federal Program or Cluster

Federal Transit Cluster

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

\$ 750,000

Auditee qualified as low-risk auditee?

 x yes no

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section II – Financial Statement Findings

NONE

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2019**

Section III – Federal Award Findings and Questioned Costs

NONE