



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

**Comprehensive Annual Financial Report
For the Fiscal Years
July 1, 2020 to June 30, 2021 and
July 1, 2019 to June 30, 2020**



Bloomington Normal Public Transit System

Normal, Illinois

Comprehensive Annual Financial Report

For the Fiscal Years

July 1, 2020 to June 30, 2021 and

July 1, 2019 to June 30, 2020

Prepared by:

Bloomington Normal Public Transit System

Finance Department

www.connect-transit.com

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November 1, 2021

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, 2021 and 2020, is submitted herewith. This report provides a broad view of Connect Transit's financial activities for the 2021 and 2020 fiscal years and its financial position at June 30, 2021 and 2020. 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, 2021 and 2020, 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, 2021 and 2020, 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 132,000 residents. In FY 2021, combined ridership for all modes of service totaled 1,550,398. 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 133 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 37 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, and (10) 2003 New Flyer 40' buses. Connect Mobility's paratransit fleet includes (6) 2020 Ford vans, (9) 2018 Ford vans, and (4) 2017 Ford vans.

In FY 2021, fixed route services carried 1,495,199 passengers. Connect Transit's demand response services total ridership was 55,199.

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

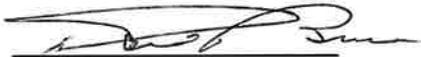
The initiatives for FY 2021 were planned in accordance with Connect Transit's strategic goals; each initiative and/or project was carefully reviewed before implementation to ensure adherence to Connect Transit's strategic goals. Planned initiatives and capital projects for FY 2021 included:

- Acquired 6 new Connect Mobility paratransit vehicles as replacement vehicles
- Implemented route adjustments
- Continued installation of new bus shelters and improving bus stops
- Started construction of solar panel on the roof of the maintenance garage to offset electrical usage in the administrative and maintenance facilities.

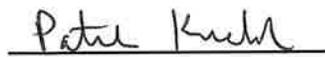
Bloomington-Normal Public Transit System
Letter of Transmittal

ACKNOWLEDGEMENTS

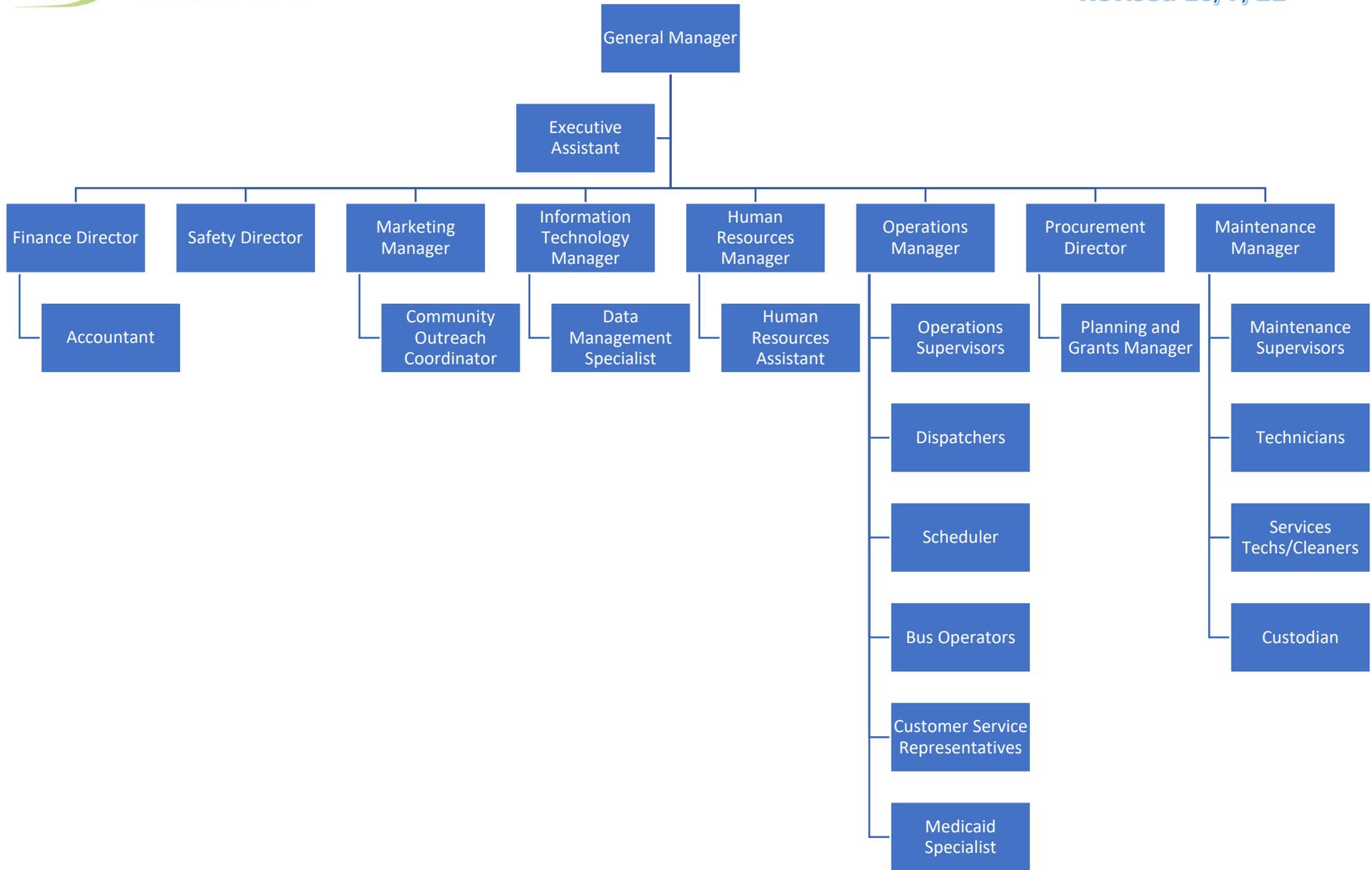
We would like to thank all members of Connect Transit who assisted and contributed to the preparation of this report, as well as members of the Connect Transit Board for their interest and continued support in the ongoing efforts of the agency. We are very excited about the role that we will play as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



David Braun
Interim General Manager



Patrick Kuebrich
Finance Director



Bloomington-Normal Public Transit System
Board of Trustees
For the Years Ended June 30, 2021 and 2020

<u>Name</u>	<u>Position</u>	<u>Appointed By</u>
Ryan Whitehouse	Chairman	City of Bloomington
Julie Hile	Vice Chairman	Town of Normal
Judy Buchanan	Secretary	City of Bloomington
Linda Foster	Trustee	City of Bloomington
Tim McCue	Trustee	Town of Normal
Deborah Presley	Trustee	City of Bloomington
Mandava Rao	Trustee	Town of Normal
Tim Gleason	Ex Officio	City of Bloomington
Pam Reese	Ex Officio	Town of Normal



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**Bloomington-Normal Public Transit System
Illinois**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

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, 2021 and 2020, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2021 and 2020, and the respective changes in its financial position and its cash flows 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, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming 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-21-44-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-21-44-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.

Board of Trustees
Bloomington-Normal Public Transit System

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 November 1, 2021, 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 results 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

Peoria, Illinois
November 1, 2021

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 2021

- State operating assistance increased in fiscal year 2021 to \$9,000,860 from \$8,443,483 in fiscal year 2020.
- Federal operating assistance increased in fiscal year 2021 to \$2,403,644 from \$2,151,804 in fiscal year 2020.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$26,642,269 (net position).
- The System operated in fiscal year 2021 without incurring long-term debt.

Financial Highlights – Fiscal Year 2020

- State operating assistance increased in fiscal year 2020 to \$8,443,483 from \$7,886,760 in fiscal year 2019.
- Federal operating assistance increased in fiscal year 2020 to \$2,151,804 from \$1,738,011 in fiscal year 2019.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$26,015,280 (net position).
- The System operated in fiscal year 2020 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 increased from the prior year – increasing from \$26.02 million to \$26.64 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

	2021	2020	2019
Current and Other Assets	\$ 9,255,421	\$ 9,309,568	\$ 8,127,951
Asset Held for Sale	425,536	425,536	425,536
Capital Assets	19,363,360	18,556,359	19,634,204
Total Assets	<u>29,044,317</u>	<u>28,291,463</u>	<u>28,187,691</u>
Current and Other Liabilities	1,789,007	1,543,459	992,780
Noncurrent Liabilities	613,041	732,724	632,196
Total Liabilities	<u>2,402,048</u>	<u>2,276,183</u>	<u>1,624,976</u>
Net Position:			
Net Investment in Capital Assets	18,679,172	18,523,354	19,601,199
Unrestricted	7,963,097	7,491,926	6,961,516
Total Net Position	<u>\$ 26,642,269</u>	<u>\$ 26,015,280</u>	<u>\$ 26,562,715</u>

Fiscal Year 2021 – The System’s net position increased by 2.4 percent (\$26.64 million compared to \$26.02 million) during fiscal year 2021.

Capital assets increased by \$807,001 during fiscal year 2021 due to the addition of capital assets during the year.

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 \$471,171 (\$7.963 million compared to \$7.492 million).

Fiscal Year 2020 – The System’s net position decreased by 2.06 percent (\$26.02 million compared to \$26.56 million) during fiscal year 2020.

Capital assets decreased by \$1,077,845 during fiscal year 2020 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 \$530,410 (\$7.492 million compared to \$6.962 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

	2021	2020	2019
Operating Revenues:			
Revenues from Transportation Services	\$ 735,987	\$ 1,203,698	\$ 1,351,668
Other Operating Revenues	93,927	131,023	126,214
Total Operating Revenues	<u>829,914</u>	<u>1,334,721</u>	<u>1,477,882</u>
Operating Expenses:			
Transportation Services	<u>14,773,202</u>	<u>14,886,701</u>	<u>14,098,561</u>
Operating Loss	<u>(13,943,288)</u>	<u>(13,551,980)</u>	<u>(12,620,679)</u>
Non-Operating Revenues:			
Operating Grants	11,404,504	10,595,287	9,624,771
Local Subsidies	2,358,570	2,151,028	2,097,311
Interest Income	1,048	1,458	1,592
Total Non-Operating Revenues	<u>13,764,122</u>	<u>12,747,773</u>	<u>11,723,674</u>
Income/Loss Before			
Other Revenues	(179,166)	(804,207)	(897,005)
Other Revenues:			
Capital Grants	<u>806,155</u>	<u>256,772</u>	<u>598,940</u>
Change in Net Position	626,989	(547,435)	(298,065)
Net Position, Beginning of Year	<u>26,015,280</u>	<u>26,562,715</u>	<u>26,860,780</u>
Net Position, End of Year	<u>\$ 26,642,269</u>	<u>\$ 26,015,280</u>	<u>\$ 26,562,715</u>

Fiscal Year 2021 – The System’s operating revenues decreased by \$504,807 or 37.8 percent in 2021 (\$829,914) compared to 2020 (\$1,334,721). Operating expenses decreased .8 percent (\$113,499).

Factors that led to the decreases were due to the COVID-19 pandemic and included:

- Decrease in passenger fares
- Decreased fuel and lubricant expenses
- Decreased salaries and wages
- Decreased supplies expense

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2020 – The System's operating revenues decreased by \$143,161 or 9.7 percent in 2020 (\$1,334,721) compared to 2019 (\$1,477,882). Operating expenses increased 5.6 percent (\$788,140).

Factors that led to the increases/decreases included:

- Decrease in passenger fares due to COVID-19
- Increased salaries and wages expense
- Increased bus repair and maintenance due to aging fleet

Budgetary Highlights

Fiscal Year 2021 – The Board of Trustees approved the System's General Operating Fund budget for fiscal year 2021 on May 26, 2020. The budget included operating expenses of \$14,500,000 excluding depreciation.

- Operating revenue of \$829,914 was \$845,086 under budget.
- Operating expenses, less depreciation, totaled \$12,779,813 was \$1,720,187 under budget.

Fiscal Year 2020 – The Board of Trustees approved the System's General Operating Fund budget for fiscal year 2020 on April 23, 2019. The budget included operating expenses of \$13,717,000 excluding depreciation.

- Operating revenue of \$1,334,721 was \$302,279 under budget.
- Operating expenses, less depreciation, totaled \$13,009,402 was \$707,598 under budget

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Asset Administration

At the end of fiscal year 2021, the System had \$19.4 million invested in a broad range of capital assets (see Table 3 below). This amount represents a net increase (including additions and deductions) of \$807,001 or 4.3 percent more than last year, due to the addition of capital assets.

Table 3
Capital Assets at Year-End

	2021	2020	2019
Land and Improvements	\$ 1,220,018	\$ 1,220,018	\$ 1,220,018
Construction in Process	1,703,548	236,285	61,398
Facilities	10,538,168	10,019,879	9,513,044
Revenue Vehicles	15,979,234	15,617,752	16,415,742
Other Equipment	2,315,048	1,861,692	1,843,105
Less: Accumulated Depreciation	(12,392,656)	(10,399,267)	(9,419,103)
Totals	\$ 19,363,360	\$ 18,556,359	\$ 19,634,204

This year's major additions included:

Construction in Process	\$ 1,587,856
Building Improvement	518,289
Revenue Vehicles	361,482
Other Equipment	453,356
	\$ 2,920,983

Fiscal Year 2020 Major Additions Include:

Construction in Process	\$ 236,285
Building Improvement	506,835
Revenue Vehicles	96,070
Other Equipment	21,662
	\$ 860,852

The System's fiscal year 2022 capital budget calls for \$5.905 million for capital expenditure. Some of the more significant fiscal year 2022 capital projects include:

Revenue Vehicle Purchase	\$ 4,350,000
Revenue Vehicle Mid-Life Overhaul	460,000
Bus Stop Improvements	750,000
Facility, Maintenance and Support	345,000
	\$ 5,905,000

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 2022, 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 \$15,000,000 for operating expenses in fiscal year 2022.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 7,788,227	\$ 7,135,128
Receivables	869,915	1,470,139
Prepaid Supplies	282,022	255,083
Prepaid Expenses	315,257	449,218
Total Current Assets	9,255,421	9,309,568
NONCURRENT ASSETS		
Asset Held for Sale	425,536	425,536
Capital Assets		
Land, Construction in Process, not Being Depreciated	2,938,072	1,456,303
Other Property and Equipment, Net of Depreciation	16,425,288	17,100,056
Total Capital Assets, Net	19,363,360	18,556,359
Total Noncurrent Assets	19,788,896	18,981,895
Total Assets	\$ 29,044,317	\$ 28,291,463
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable, Including \$167,275 Retainage Payable For 2021 and \$33,005 for 2020	\$ 847,544	\$ 390,563
Accrued Expenses	423,751	391,254
Unearned Revenue	167,712	161,642
Compensated Absences	350,000	600,000
Total Current Liabilities	1,789,007	1,543,459
NONCURRENT LIABILITIES		
Compensated Absences, Net of Current Portion	613,041	732,724
Total Liabilities	2,402,048	2,276,183
NET POSITION		
Net Investment in Capital Assets	18,679,172	18,523,354
Unrestricted	7,963,097	7,491,926
Total Net Position	26,642,269	26,015,280
Total Liabilities and Net Position	\$ 29,044,317	\$ 28,291,463

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, 2021 AND 2020**

	2021	2020
OPERATING REVENUES		
Passenger Fares	\$ 157,851	\$ 636,680
Contract Fares	578,136	567,018
Miscellaneous Income	93,927	131,023
Total Operating Revenues	829,914	1,334,721
OPERATING EXPENSES		
Salaries and Wages	7,566,516	8,059,042
Depreciation	1,993,389	1,877,299
Fuel and Lubricants	698,226	728,288
Bus Repair and Maintenance	734,295	639,496
Group Insurance	1,246,905	1,200,775
Insurance	631,160	585,299
Payroll Taxes	597,204	577,365
Retirement Plan	311,969	327,638
Professional Fees	394,573	238,543
Supplies	157,506	203,352
Utilities and Telephone	151,831	112,534
Other Operating Expenses	289,628	337,070
Total Operating Expenses	14,773,202	14,886,701
OPERATING LOSS	(13,943,288)	(13,551,980)
NONOPERATING REVENUES		
State of Illinois Operating Assistance Grant	9,000,860	8,443,483
Federal Operating Assistance Grant	2,403,644	2,151,804
Local Subsidies	2,358,570	2,151,028
Interest Income	1,048	1,458
Total Nonoperating Revenues	13,764,122	12,747,773
LOSS BEFORE OTHER REVENUES	(179,166)	(804,207)
OTHER REVENUES		
State of Illinois Capital Grants	474,610	82,585
Federal Capital Grants	331,545	174,187
Total Other Revenues	806,155	256,772
CHANGE IN NET POSITION	626,989	(547,435)
Net Position – Beginning of Year	26,015,280	26,562,715
NET POSITION – END OF YEAR	\$ 26,642,269	\$ 26,015,280

See accompanying Notes to Basic Financial Statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 999,053	\$ 1,330,516
Payments to Vendors	(5,300,477)	(4,954,853)
Payments to Employees	(7,903,702)	(7,603,229)
Net Cash Used by Operating Activities	(12,205,126)	(11,227,566)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
State Operating Assistance Grant Proceeds Received	9,139,127	8,194,257
Federal Operating Assistance Grant Proceeds Received	2,702,532	1,863,274
Net Cash Provided by Noncapital and Related Financing Activities	11,841,659	10,057,531
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State Capital Grant Proceeds Received	113,128	82,585
Federal Capital Grant Proceeds Received	331,545	174,187
Local Subsidies Received	2,358,570	2,151,028
Purchases of Capital Assets	(1,787,725)	(799,454)
Net Cash Provided by Capital and Related Financing Activities	1,015,518	1,608,346
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	1,048	1,458
INCREASE IN CASH AND CASH EQUIVALENTS	653,099	439,769
Cash and Cash Equivalents – Beginning of Year	7,135,128	6,695,359
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 7,788,227	\$ 7,135,128
NONCASH ACTIVITIES		
Capital Asset Additions Included in Accounts Payable	\$ 651,183	\$ -
Capital Asset Contributions	\$ 361,482	\$ -

See accompanying Notes to Basic Financial Statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	\$ (13,943,288)	\$ (13,551,980)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	1,993,389	1,877,299
Effects of Changes in Operating Assets and Liabilities:		
Receivables	163,069	(2,783)
Prepaid Supplies	(26,939)	(17,780)
Prepaid Expenses	133,961	(183,529)
Accounts Payable	(194,202)	196,816
Accrued Expenses	32,497	55,285
Compensated Absences	(369,683)	400,528
Unearned Revenue	6,070	(1,422)
	<u>\$ (12,205,126)</u>	<u>\$ (11,227,566)</u>
Net Cash Used in Operating Activities		

See accompanying Notes to Basic Financial Statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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) (18% of 2021 revenues and 15% of 2020 revenues), the Illinois Department of Transportation (IDOT) (62% of 2021 revenues and 60% of 2020 revenues), and subsidies from Bloomington and Normal (15% of 2021 revenues and 16% of 2020 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, 2021 and 2020.

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

Prepaid supplies 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, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization (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, 2021 AND 2020**

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, 2021 and 2020, the System’s \$8,032,692 and \$7,434,826 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:

	2021	2020
Federal Operating Assistance Grant	\$ 536,189	\$ 835,077
State of Illinois Operating Assistance Grant	174,760	313,027
Other	158,966	322,035
Totals	\$ 869,915	\$ 1,470,139

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, 2021 AND 2020**

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, 2021, which is lower of cost or net realizable value.

NOTE 5 CAPITAL ASSETS, NET

The changes in capital assets for fiscal year 2021 were as follows:

	June 30, 2020	Additions	Disposals	June 30, 2021
Not Being Depreciated:				
Land	\$ 1,220,018	\$ -	\$ -	\$ 1,220,018
Construction in Process	236,285	1,587,856	(120,593)	1,703,548
Total Capital Assets, not Being Depreciated	1,456,303	1,587,856	(120,593)	2,923,566
Being Depreciated:				
Buildings and Improvements	10,019,879	518,289	-	10,538,168
Vehicles	15,617,752	361,482	-	15,979,234
Furniture and Equipment	1,861,692	453,356	-	2,315,048
Total Capital Assets, Being Depreciated	27,499,323	1,333,127	-	28,832,450
Less: Accumulated Depreciation				
Buildings and Improvements	(2,220,700)	(244,233)	-	(2,464,933)
Vehicles	(7,416,920)	(1,698,027)	-	(9,114,947)
Furniture and Equipment	(761,647)	(51,129)	-	(812,776)
Total Accumulated Depreciation	(10,399,267)	(1,993,389)	-	(12,392,656)
Capital Assets, Net	<u>\$ 18,556,359</u>	<u>\$ 927,594</u>	<u>\$ (120,593)</u>	<u>\$ 19,363,360</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 5 CAPITAL ASSETS, NET (CONTINUED)

The changes in capital assets for fiscal year 2020 were as follows:

	June 30, 2019	Additions	Disposals	June 30, 2020
Not Being Depreciated:				
Land	\$ 1,220,018	\$ -	\$ -	\$ 1,220,018
Construction in Process	61,398	236,285	(61,398)	236,285
Total Capital Assets, not Being Depreciated	1,281,416	236,285	(61,398)	1,456,303
Being Depreciated:				
Buildings and Improvements	9,513,044	506,835	-	10,019,879
Vehicles	16,415,742	96,070	(894,060)	15,617,752
Furniture and Equipment	1,843,105	21,662	(3,075)	1,861,692
Total Capital Assets, Being Depreciated	27,771,891	624,567	(897,135)	27,499,323
Less: Accumulated Depreciation				
Buildings and Improvements	(1,979,940)	(240,760)	-	(2,220,700)
Vehicles	(6,734,503)	(1,576,477)	894,060	(7,416,920)
Furniture and Equipment	(704,660)	(60,062)	3,075	(761,647)
Total Accumulated Depreciation	(9,419,103)	(1,877,299)	897,135	(10,399,267)
Capital Assets, Net	<u>\$ 19,634,204</u>	<u>\$ (1,016,447)</u>	<u>\$ (61,398)</u>	<u>\$ 18,556,359</u>

Depreciation for transit operations for the years ended June 30, 2021 and 2020 was \$1,993,389 and \$1,877,299, respectively.

NOTE 6 NONCURRENT LIABILITIES

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

	June 30, 2020	Issued	Retired	June 30, 2021	Due Within One Year
Accrued Compensated Absences	<u>\$ 1,332,724</u>	<u>\$ 817,018</u>	<u>\$ (1,186,701)</u>	<u>\$ 963,041</u>	<u>\$ 350,000</u>
	June 30, 2019	Issued	Retired	June 30, 2020	Due Within One Year
Accrued Compensated Absences	<u>\$ 932,196</u>	<u>\$ 1,282,054</u>	<u>\$ (881,526)</u>	<u>\$ 1,332,724</u>	<u>\$ 600,000</u>

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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, 2021 totaled \$719,296, which consisted of \$407,327 contributed by the employees and \$311,969 contributed by the System. Contributions to the Plan for the year ended June 30, 2020 totaled \$773,015, which consisted of \$445,377 contributed by the employees and \$327,638 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, 2021, payments received from the City of Bloomington and Town of Normal totaled \$1,424,233 and \$934,337, respectively. For the year ended June 30, 2020, payments received from the City of Bloomington and Town of Normal totaled \$1,242,603 and \$908,425, respectively.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 10 LINE OF CREDIT

The System maintains a \$1,800,000 line of available credit which bears interest on the balances drawn at an adjustable prime rate, but no less than 5.00%. The line of credit expires December 1, 2021. During the fiscal year, the System drew down proceeds of \$742,206 and repaid \$742,206. The System had an outstanding balance on the line of credit of \$-0- at June 30, 2021 and at June 30, 2020.

NOTE 11 COMMITMENTS, SUBSEQUENT EVENTS, AND CONTINGENCIES

As of year-end, the System has entered into several contracts totaling \$6,895,099, for which the amount paid or accrued at year-end related to these contracts was \$994,683. The remaining balance on these contracts is \$5,900,416 at June 30, 2021. These contracts were for tire lease, oils, lubricants, fuel, on board surveys, radio services, bus stop improvements, professional services, electric buses and infrastructure, driver protection barriers, downtown transfer center study, and a planning services agreement.

Subsequent to year-end, the System entered into a change order in September 2021 to purchase an additional 8 electric buses for a total of \$9,033,860.

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the System, COVID-19 may impact various parts of its 2022 operations and financial results. Management believes the System is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

SUPPLEMENTARY INFORMATION

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
CONSOLIDATED YEAR-END FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

CSFA Number	Program Name	State	Federal	Other	Total
494-80-1137	Transit Statewide/Non-Metropolitan Transportation Planning - State	\$ 29,509	\$ -	\$ -	\$ 29,509
494-80-1136	Transit Statewide/Non Metropolitan Transportation Planning - Federal Sec 5305(e)	83,619	-	-	83,619
494-80-1141	Transit Downstate Operating Assistance Program	9,000,860	2,403,644	2,443,642	13,848,146
494-80-1291	Transit 5310 Enhanced Mobility of Seniors and Individuals with Disabilities - CUP	361,482	-	-	361,482
	Other Grant Programs and Activities	-	331,545	-	331,545
	All Other Costs Not Allocated	-	-	3,039,884	3,039,884
	Total	<u>\$ 9,475,470</u>	<u>\$ 2,735,189</u>	<u>\$ 5,483,526</u>	<u>\$ 17,694,185</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF COMPUTATION OF FEDERAL OPERATING ASSISTANCE GRANT
YEAR ENDED JUNE 30, 2021**

Operating Expenses, Excluding Depreciation	\$ 12,779,813
Less: Ineligible Expenses:	
APTA and IPTA Dues	(3,500)
Advertising Expenses	(60,820)
Lobbying Expense	(112,000)
Miscellaneous Expense	(77,953)
Total Eligible Operating Expenses	12,525,540
Less: Offsets to Total Eligible Operating Expenses:	
Passenger Fares	(735,987)
Interest Income	(1,048)
City of Bloomington and Town of Normal Support	(1,150,000)
Miscellaneous Income	(93,259)
Federal Project Cost, Net	10,545,246
Federal Participation Rate Limit	0.5
Federal Participation Limit	\$ 5,272,623
Actual Federal Participation:	
Federal Project Cost, Net	\$ 10,545,246
State Operating Assistance	(9,000,860)
State Operating Assistance Applied to Costs Ineligible for Federal Operating Assistance	859,258
Calculated Federal Operating Assistance	2,403,644
Maximum Federal Operating Assistance	5,272,623
Actual Federal Operating Assistance – Lessor of Calculated and Maximum Federal Operating Assistance	2,403,644
Payments Received from FTA as of June 30, 2021	1,867,455
Due from FTA as of June 30, 2021	536,189

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF REVENUE AND EXPENSES UNDER DOWNSTATE
OPERATING ASSISTANCE GRANT OP-21-44-IL
YEAR ENDED JUNE 30, 2021**

OPERATING REVENUES AND INCOME

401	Passenger Fares for Transit Services	\$ 53,684
402	Special Transit Fares	682,303
406	Auxiliary Revenue	93,259
407	Nontransportation Revenue	1,048
409	Bloomington and Normal Operating Support	1,150,000
	Revenue Recorded in Fiscal Year 2021	<u>1,150,000</u>

Total Operating Revenue and Income 1,980,294

OPERATING EXPENSES

501	Labor	7,567,216
502	Fringe Benefits	2,484,366
503	Professional Services	650,686
504	Materials and Supplies Consumed	1,364,253
505	Utilities	153,136
506	Casualty and Liability	380,225
507	Vehicle Inspection & Registration	5,351
508	Debt Services	1,261,118
509	Miscellaneous Expense	174,580
	Total Operating Expenses	<u>14,040,931</u>

Less: Ineligible Expenses:

APTA and IPTA Dues	3,500
Lobbying Expense	112,000
Miscellaneous Expense	77,953
Total Ineligible Expenses	<u>193,453</u>

Total Eligible Operating Expenses \$ 13,847,478

Total Eligible Operating Expenses \$ 13,847,478

Total Operating Revenue and Income 1,980,294

Deficit (11,867,184)

65% of Eligible Expense 9,000,860

Maximum Contract Amount 15,279,600

Eligible Downstate Operating Assistance

(Deficit, 65% of Eligible Expense, or Maximum Contract Amount,
Whichever is Less) 9,000,860

FY21 Downstate Operating Assistance Received

(Through June 30, 2021) 8,979,750

FY21 Downstate Operating Assistance

Received (Subsequent to June 30, 2021) -

FY21 Downstate Operating Assistance Owed \$ 21,110

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF COMPUTATION OF AMOUNT DUE
ILLINOIS STATE UNIVERSITY
YEAR ENDED JUNE 30, 2021**

Universal Access Service Agreement	\$ 578,136
Balance Due from (to) ISU as of July 1, 2020	-
Service Payments Received from ISU During Fiscal Year 2021	<u>(578,136)</u>
Balance Due from (to) ISU as of June 30, 2021	<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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position										
Net investment in capital assets	18,679,172	18,523,354	19,601,199	20,494,613	16,819,419	14,665,222	12,014,623	12,391,162	13,485,312	13,365,024
Unrestricted	<u>7,963,097</u>	<u>7,491,926</u>	<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>
Total Net Position	<u><u>26,642,269</u></u>	<u><u>26,015,280</u></u>	<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>

Notes:

1) Data source - Audited Financial Statements

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Operating Revenues										
Passenger and Contract Fares	\$ 735,987	\$ 1,203,698	\$ 1,351,668	\$ 1,303,139	\$ 1,251,585	\$ 1,413,686	\$ 1,433,468	\$ 1,371,605	\$ 1,356,584	\$ 1,186,308
Other Operating Revenue	93,927	131,023	126,214	86,392	121,139	151,208	119,683	16,257	16,411	21,524
Total Operating Revenues	<u>829,914</u>	<u>1,334,721</u>	<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>
Operating Expenses										
Salaries and Wages	7,566,516	8,059,042	7,546,803	7,311,970	7,260,197	6,397,683	6,170,601	5,695,108	5,016,369	5,012,670
Fuel and Lubricants	698,226	728,288	808,359	762,045	699,424	861,354	1,126,709	1,154,578	1,217,346	1,125,364
Bus Repair and Maintenance	734,295	639,496	403,217	618,548	609,181	681,126	572,623	596,531	808,975	378,001
Group Insurance	1,246,905	1,200,775	1,140,066	1,044,893	1,198,596	708,477	717,808	643,651	536,483	472,227
Insurance	631,160	585,299	606,389	577,853	454,432	473,071	411,638	457,147	484,561	445,380
Payroll Taxes	597,204	577,365	559,868	540,498	536,482	471,485	452,265	419,941	387,083	375,219
Retirement Plan	311,969	327,638	301,792	294,981	260,335	229,349	211,207	195,183	185,759	188,335
Professional Fees	394,573	238,543	247,010	282,257	212,904	314,365	108,573	83,241	163,027	53,577
Supplies	157,506	203,352	223,957	153,899	150,810	163,364	92,560	146,152	148,762	-
Utilities and Telephone	151,831	112,534	115,780	105,077	117,286	104,102	128,635	127,004	115,000	105,660
Other Operating Expenses	289,628	337,070	296,305	471,549	342,831	393,152	366,041	320,478	224,294	216,559
Depreciation	1,993,389	1,877,299	1,849,015	1,642,567	1,570,868	1,194,661	1,121,471	1,327,202	1,348,075	1,079,311
Total Operating Expenses	<u>14,773,202</u>	<u>14,886,701</u>	<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>
Operating Loss	<u>(13,943,288)</u>	<u>(13,551,980)</u>	<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>
Non-Operating Revenues										
State Operating Grants	9,000,860	8,443,483	7,886,760	7,719,588	7,681,950	7,064,354	6,721,529	6,378,435	6,029,509	5,437,594
Federal Operating Grants	2,403,644	2,151,804	1,738,011	1,742,929	1,739,100	2,131,109	2,025,608	2,024,376	1,868,335	1,107,464
Local Subsidies	2,358,570	2,151,028	2,097,311	2,041,055	2,165,624	1,205,110	986,934	928,820	901,946	866,025
Interest Income	1,048	1,458	1,592	1,590	2,057	4,157	5,023	4,133	3,026	2,622
Capital Grants	806,155	256,772	598,940	4,893,579	2,602,654	2,332,683	96,867	398,703	1,299,435	189,916
Other	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Revenues	<u>14,570,277</u>	<u>13,004,545</u>	<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>
Changes in Net Position	\$ 626,989	\$ (547,435)	\$ (298,065)	\$ 3,982,135	\$ 2,150,763	\$ 2,310,118	\$ (91,019)	\$ (43,887)	\$ 839,512	\$ (640,850)

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
2021	\$ 12,210,659	\$ 2,358,570	\$ 735,987	\$ 1,048	\$ 93,927	\$ 15,400,191
2020	10,852,059	2,151,028	1,203,698	1,458	131,023	14,339,266
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

Notes:

1) Data source - Audited Financial Statements

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

	2021			2012		
	Total Revenue	Rank	Percentage of Total Revenue	Total Revenue	Rank	Percentage of Total Revenue
Illinois Department of Transportation	\$ 9,475,470	1	66.1%	\$ 5,437,594	1	61.7%
Federal Transit Administration	2,735,189	2	19.1%	1,297,380	2	14.7%
	\$ 12,210,659		85.2%	\$ 6,734,974		76.4%

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)
2021	131,799	49,602	6,537,493,998	3.8%
2020	131,799	49,180	6,481,874,820	3.8%
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%

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	2021			2012		
	Employees	Rank	Percentage of Total City and Town Employment	Employees	Rank	Percentage of Total City and Town Employment
State Farm Insurance	14,436	1	15.0%	14,528	1	15.9%
Illinois State University	3,940	2	4.1%	3,275	2	3.6%
Country Financial	2,020	3	2.1%	2,049	3	2.2%
Unit 5 School District	1,874	4	2.0%	1,754	4	1.9%
Advocate BroMenn Medical Center	1,337	5	1.4%	1,157	6	1.3%
OSF - St. Joseph Medical Center	1,286	6	1.3%	832	7	0.9%
McLean County	817	7	0.9%	806	8	0.9%
Afni, Inc.	815	8	0.8%	778	9	0.9%
District 87 Schools	687	9	0.7%	693	11	0.8%
City of Bloomington	667	10	0.7%	755	10	0.8%
Mitsubishi Motor Manufacturing				1,270	5	1.4%
Total Principal Employees	27,879		29.1%	27,897		30.5%
Total Bloomington-Normal Labor Force	95,951			91,405		

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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Transit Operations	106.0	101.0	106.0	103.0	97.0	89.0	81.0	82.0	82.0	97.4
Maintenance	18.0	16.0	17.0	21.0	19.0	17.0	16.0	15.0	12.1	16.2
Administration	9.0	13.0	14.0	11.0	11.0	18.0	13.0	13.0	11.0	8.5
Total	<u>133.0</u>	<u>130.0</u>	<u>137.0</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>

Notes:

- 1) 2021 data source - Bloomington-Normal Public Transit System
- 2) 2020 and years prior - National Transit Database data

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Unlinked Passenger Trips										
A. Fixed Route	1,495,199	2,118,110	2,442,954	2,240,810	2,217,641	2,427,565	2,654,677	2,521,963	2,009,241	2,033,698
B. Demand Response	55,199	70,066	90,518	89,313	83,366	75,477	74,134	65,382	58,035	50,249
Total	<u>1,550,398</u>	<u>2,188,176</u>	<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>
Passenger Miles										
A. Fixed Route	3,664,063	5,035,053	6,463,762	6,725,658	6,737,597	7,354,690	7,436,845	7,767,646	6,228,647	6,304,134
B. Demand Response	273,928	377,721	506,747	497,119	486,869	428,145	398,609	372,205	342,753	250,107
Total	<u>3,937,991</u>	<u>5,412,774</u>	<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>
Total Actual Miles										
A. Fixed Route	1,329,915	1,327,117	1,351,881	1,375,623	1,430,661	1,334,158	1,310,106	1,312,781	1,347,599	1,363,483
B. Demand Response	314,965	374,143	440,826	422,061	419,883	408,808	385,865	353,422	291,905	319,696
Total	<u>1,644,880</u>	<u>1,701,260</u>	<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>
Total Actual Hours										
A. Fixed Route	106,100	106,479	111,124	115,140	119,722	94,575	93,933	93,148	93,566	93,478
B. Demand Response	29,195	31,501	35,663	33,853	31,475	30,643	30,266	28,953	21,795	21,470
Total	<u>135,295</u>	<u>137,980</u>	<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>

Notes:

- 1) 2021 data source - Bloomington-Normal Public Transit System
- 2) 2020 and years prior - National Transit Database data

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Vehicle Revenue Miles										
A. Fixed Route	1,201,631	1,250,052	1,293,762	1,297,165	1,306,691	1,287,354	1,266,037	1,266,588	1,303,831	1,319,705
B. Demand Response	<u>267,582</u>	<u>321,200</u>	<u>378,915</u>	<u>364,377</u>	<u>365,955</u>	<u>352,242</u>	<u>341,637</u>	<u>292,029</u>	<u>252,160</u>	<u>272,245</u>
Total	<u><u>1,469,213</u></u>	<u><u>1,571,252</u></u>	<u><u>1,672,677</u></u>	<u><u>1,661,542</u></u>	<u><u>1,672,646</u></u>	<u><u>1,639,596</u></u>	<u><u>1,607,674</u></u>	<u><u>1,558,617</u></u>	<u><u>1,555,991</u></u>	<u><u>1,591,950</u></u>
Vehicle Revenue Hours										
A. Fixed Route	99,458	102,557	108,169	111,187	113,325	92,315	91,253	90,579	90,913	91,302
B. Demand Response	<u>25,114</u>	<u>27,654</u>	<u>31,213</u>	<u>30,022</u>	<u>27,753</u>	<u>26,479</u>	<u>26,078</u>	<u>24,591</u>	<u>19,486</u>	<u>19,834</u>
Total	<u><u>124,572</u></u>	<u><u>130,211</u></u>	<u><u>139,382</u></u>	<u><u>141,209</u></u>	<u><u>141,078</u></u>	<u><u>118,794</u></u>	<u><u>117,331</u></u>	<u><u>115,170</u></u>	<u><u>110,399</u></u>	<u><u>111,136</u></u>
Total Operating Expenses										
A. Fixed Route	9,725,731	9,833,788	9,274,585	9,243,650	9,252,731	8,197,286	7,891,011	7,691,160	7,548,159	6,753,206
B. Demand Response	<u>3,054,081</u>	<u>3,175,617</u>	<u>2,974,961</u>	<u>2,919,920</u>	<u>2,589,747</u>	<u>2,588,244</u>	<u>2,467,647</u>	<u>2,129,852</u>	<u>1,739,500</u>	<u>1,522,250</u>
Total	<u><u>12,779,812</u></u>	<u><u>13,009,405</u></u>	<u><u>12,249,546</u></u>	<u><u>12,163,570</u></u>	<u><u>11,842,478</u></u>	<u><u>10,785,530</u></u>	<u><u>10,358,658</u></u>	<u><u>9,821,012</u></u>	<u><u>9,287,659</u></u>	<u><u>8,275,456</u></u>
Fare Revenue										
A. Fixed Route	651,210	1,055,352	1,216,019	1,169,718	1,127,929	1,280,909	1,303,049	1,252,642	1,248,514	1,079,540
B. Demand Response	<u>84,777</u>	<u>148,347</u>	<u>135,649</u>	<u>133,421</u>	<u>123,656</u>	<u>132,776</u>	<u>130,418</u>	<u>118,962</u>	<u>108,070</u>	<u>106,768</u>
Total	<u><u>735,987</u></u>	<u><u>1,203,699</u></u>	<u><u>1,351,668</u></u>	<u><u>1,303,139</u></u>	<u><u>1,251,585</u></u>	<u><u>1,413,685</u></u>	<u><u>1,433,467</u></u>	<u><u>1,371,604</u></u>	<u><u>1,356,584</u></u>	<u><u>1,186,308</u></u>

Notes:

- 1) 2021 data source - Bloomington-Normal Public Transit System
- 2) 2020 and years prior - National Transit Database data

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cost per Passenger Mile										
A. Fixed Route	2.65	1.95	1.43	1.37	1.37	1.11	1.06	0.99	1.21	1.07
B. Demand Response	11.15	8.41	5.87	5.87	5.32	6.05	6.19	5.72	5.08	6.09
Cost per Total Actual Mile										
A. Fixed Route	7.31	7.41	6.86	6.72	6.47	6.14	6.02	5.86	5.60	4.95
B. Demand Response	9.70	8.49	6.75	6.92	6.17	6.33	6.40	6.03	5.96	4.76
Cost per Unlinked Passenger Trip										
A. Fixed Route	6.50	4.64	3.80	4.13	4.17	3.38	2.97	3.05	3.76	3.32
B. Demand Response	55.33	45.32	32.87	32.69	31.06	34.29	33.29	32.58	29.97	30.29
Cost per Total Actual Hour										
A. Fixed Route	91.67	92.35	83.46	80.28	77.29	86.67	84.01	82.57	80.67	72.24
B. Demand Response	104.61	100.81	83.42	86.25	82.28	84.46	81.53	73.56	79.81	70.90
Fare Revenue per Passenger Trip										
A. Fixed Route	0.44	0.50	0.50	0.52	0.51	0.53	0.49	0.50	0.62	0.50
B. Demand Response	1.54	2.12	1.50	1.49	1.48	1.76	1.76	1.82	1.86	2.10

Notes:

- 1) 2021 data source - Bloomington-Normal Public Transit System
- 2) 2020 and years prior - National Transit Database data

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Full-Time Equivalent Employees										
A. Fixed Route	101.42	98.87	108.05	105.85	100.10	96.31	88.14	88.10	84.30	97.10
B. Demand Response	31.58	31.13	29.95	29.15	26.90	27.69	21.86	21.90	20.80	25.00
Total	<u>133.00</u>	<u>130.00</u>	<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>
Capital Assets - Revenue Vehicles										
A. Fixed Route	37.00	37.00	39.00	37.00	42.00	40.00	35.00	35.00	29.00	29.00
B. Demand Response	19.00	18.00	18.00	17.00	13.00	16.00	21.00	21.00	21.00	13.00
Total	<u>56.00</u>	<u>55.00</u>	<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>

Notes:

- 1) 2021 data source - Bloomington-Normal Public Transit System
- 2) 2020 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, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated November 1, 2021.

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) as a basis for designing 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The System’s Response to Findings

The System’s response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The System’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



CliftonLarsonAllen LLP

Peoria, Illinois
November 1, 2021



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, 2021. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2021.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Peoria, Illinois
November 1, 2021

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number		Grant Number	Total Federal Expenditures	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	\$ 10,480	\$ -
	20.507	*	IL-2020-037-00	<u>1,068,061</u>	<u>-</u>
COVID-19 - CARES Act Operating Grant	20.507	*	IL-2020-048-00	<u>1,325,103</u>	<u>-</u>
Used for Capital Additions	20.507	*	IL-90-X716-02	314,228	-
	20.507	*	IL-2020-033-00	<u>17,317</u>	<u>-</u>
Total Federal Transit Cluster				<u><u>\$ 2,735,189</u></u>	<u><u>\$ -</u></u>

* 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, 2021. 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, 2021.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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? x yes 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

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.507	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, 2021**

Section II – Financial Statement Findings

2021 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: During the audit, it was noted a material audit adjustment was necessary to increase capital assets and accounts payable by \$651,183.

Criteria or specific requirement: Internal controls over financial reporting require close review of year-end balances and activity to ensure they are in accordance with generally accepted accounting principles (GAAP).

Effect: Lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected.

Cause: The payable was not originally identified because the process for payment of this capital project was through a cashier's check from the line of credit, as opposed to the normal disbursement process.

Repeat Finding: No

Recommendation: The System should closely review its financial reports to ensure the proper recording of all activity in accordance with GAAP. In addition, the System should review disbursements subsequent to year end.

Views of responsible officials and planned corrective actions: Going forward the System will process invoices from the line of credit through the general ledger software when received. When the check from the bank is written, the System will make an adjustment to Accounts Payable to record the payment.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).