

BLOOMINGTON-NORMAL PUBLIC
TRANSIT SYSTEM
NORMAL, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:

Bloomington Normal Public Transit System
Finance Department

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the System including: Principal Officials, Organizational Chart, Letter of Transmittal, and Certificate of Achievement for Excellence in Financial Reporting.

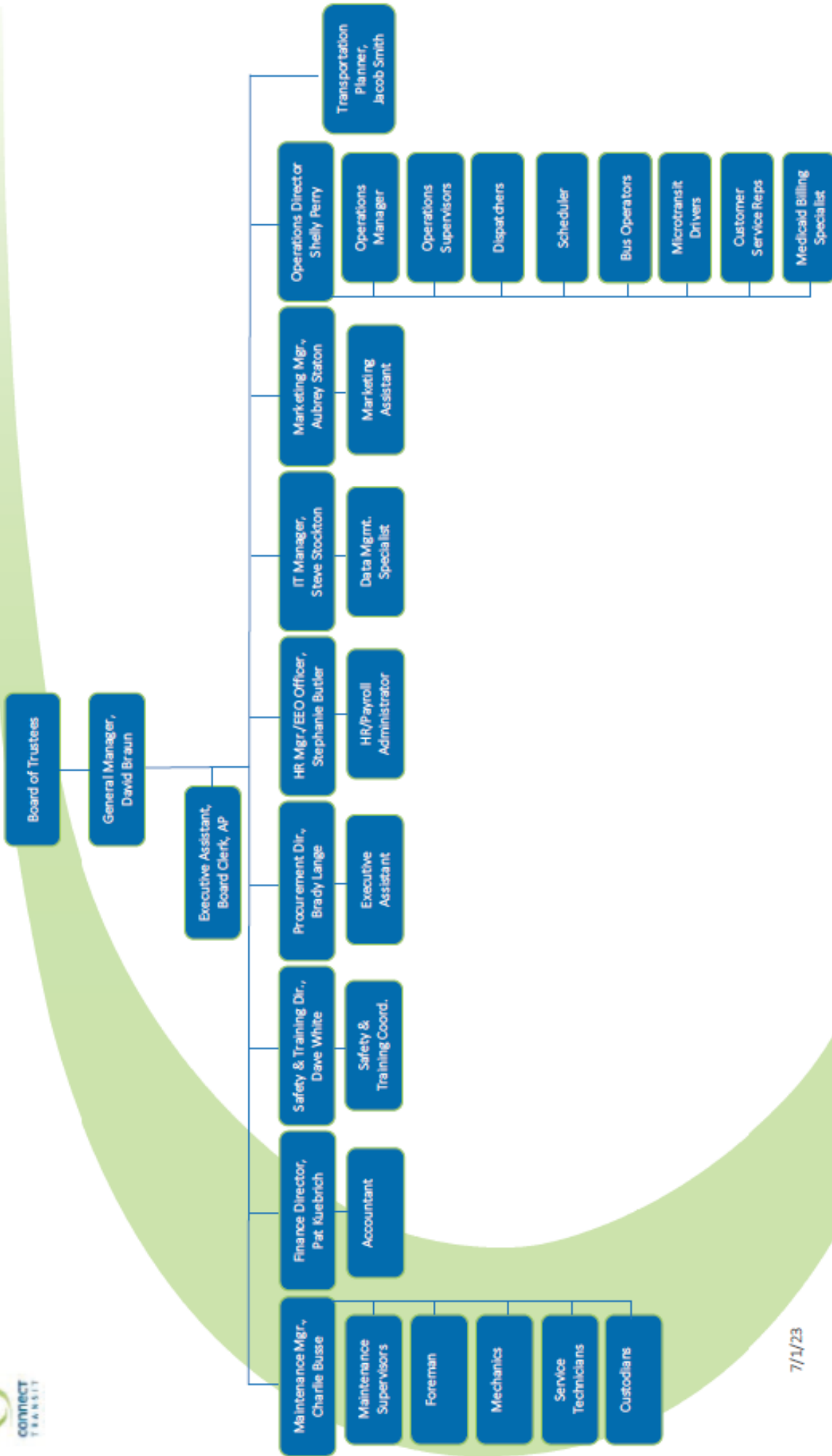
BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Principal Officials

June 30, 2023

BOARD OF TRUSTEES

Name	Position	Appointed By	Expiration Date
Ryan Whitehouse	Chairman	Bloomington	June 30, 2024
Julie Hile	Vice-Chair	Normal	June 30, 2026
Judy Buchanan	Secretary	Bloomington	June 30, 2025
Time McCue	Trustee	Normal	June 30, 2027
Linda Foster	Trustee	Bloomington	June 30, 2027
Mandava Rao	Trustee	Normal	June 30, 2025
Barbara Singer	Trustee	Bloomington	June 30, 2026
Tim Gleason	Ex Officio	Bloomington	No Expiration
Pam Reece	Ex Officio	Normal	No Expiration



7/1/23



March 19, 2024

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

RE: Letter of Transmittal

Dear Members of the Board of Trustees,

The Annual Comprehensive Financial Report (ACFR) of the Bloomington-Normal Public Transit System dba Connect Transit for FY22 and FY23 is submitted herewith. This report provides a broad view of Connect Transit's financial activities for the 2022 and 2023 fiscal years and its financial position at fiscal year's end on June 30, 2022, and June 30, 2023. 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 within the report.

Connect Transit financial statements have been audited by Lauterbach & Amen, 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, 2022, and 2023, 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, 2022, and 2023 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 sources, 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 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 2023, combined ridership for all modes of service totaled 2,125,519. 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 160 employees.

Connect Transit operates up to 26 buses on 15 fixed routes in maximum service. Connect Transit, under the name of Connect Mobility, provides demand-response transportation service to all paratransit riders determined eligible under the Americans with Disabilities Act (ADA) guidelines.

Connect Transit maintains a total fleet of 45 buses for its 15 fixed routes. Included in this fleet are eight 2022 Proterra 40' battery electric buses, four 2021 Proterra 35' battery electric buses, ten 2018 New Flyer 40' buses, seven 2016 New Flyer 40' buses, five 2015 New Flyer 40' buses, four 2011 Gillig 35' buses, one 2010 Gillig 35' bus, three 2010 New Flyer 40' buses, and three 2003 New Flyer 40' buses. Connect Mobility's paratransit fleet includes six 2020 Ford vans, nine 2018 Ford vans, and four 2017 Ford vans.

In FY 2023, fixed route services carried 2,024,124 passengers. Connect Transit's demand response services total ridership was 101,395.

ECONOMIC IMPACT

The economic condition of Connect Transit is dependent on available state and federal funding. The City of Bloomington, Town of Normal, contract fares with local colleges and universities and advertising income support Connect Transit operations as well. New buses, improved access to 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 2023 were planned in accordance with Connect Transit's strategic goals. Planned initiatives and capital projects for FY 2023 included:

- Acquired eight new 40-foot battery electric Proterra buses as replacement vehicles.
- Installed charging infrastructure for current and future electric vehicles.
- Implemented route and service adjustments.
- Continued installation of new bus shelters and improving bus stops.
- Performed mid-life overhauls to 2015 New Flyer 40-foot buses.
- Installed driver barriers to fixed route and demand response buses.
- Installed LED lighting to the Administrative and Maintenance buildings.

AWARDS

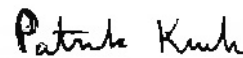
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Bloomington-Normal Public Transit System for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious award recognizing conformance with the highest standards for preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards, Generally Accepted Accounting Principles (GAAP), and applicable legal requirements. A Certificate of Achievement is valid for one year only.

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
General Manager



Patrick Kuebrich
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Bloomington-Normal Public Transit System
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Supplemental Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the System's independent auditing firm.



INDEPENDENT AUDITOR’S REPORT

March 19, 2024

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities of the Bloomington-Normal Public Transit System, Normal, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System’s basic financial statements as listed in the table of contents.

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

We did not audit the financial statements of the Bloomington-Normal Public Transit System, Normal, Illinois as of and for the year ended June 30, 2022. Those Statements were audited by another auditor who issued an unmodified opinion on November 21, 2022.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Bloomington-Normal Public Transit System
Normal, Illinois
March 19, 2024

Supplementary Information

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

Other Information

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

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

We did not audit not audit the financial statements for the year ended June 30, 2022. Those statement were audited by other auditors

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2024, on our consideration of the 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 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 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 System's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Management's Discussion and Analysis

June 30, 2023

Our discussion and analysis of the Bloomington-Normal Public Transit System's financial performance provides an overview of the System's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the transmittal letter, located in the introductory section of this report, and the System's financial statements, which can be found in the basic financial statements section of this report.

FINANCIAL HIGHLIGHTS - FOR THE FISCAL YEAR ENDED JUNE 30, 2023

- State operating assistance decreased in fiscal year 2023 to \$11,576,392 from \$12,349,426 in fiscal year 2022.
- Federal operating assistance decreased in fiscal year 2023 to \$3,008,654 from \$3,556,751 in fiscal year 2022.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$41,175,990 (net position).
- The System operated in fiscal year 2023 without incurring long-term debt.

FINANCIAL HIGHLIGHTS - FOR THE FISCAL YEAR ENDED JUNE 30, 2022

- State operating assistance increased in fiscal year 2022 to \$12,349,426 from \$9,000,860 in fiscal year 2021.
- Federal operating assistance increased in fiscal year 2022 to \$3,556,751 from \$2,403,644 in fiscal year 2021.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$31,994,639 (net position).
- The System operated in fiscal year 2022 without incurring long-term debt.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information about the activities of the System as a whole and present a longer-term view of the System's finances.

This report also contains other supplementary information in addition to the basic financial statements.

The Statement of Net Position presents information on all of the System's assets and liabilities with the difference between the two reported as net position. Over time, increases in net position may serve as a useful indicator of whether the financial position of the System is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position 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 Statement of Cash Flows presents the increase or decrease in cash and cash equivalents during the fiscal years resulting from the operating, financing, and investing activities of the System.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the System's financial position. The following tables show that in the case of the System, assets/deferred outflows exceeded liabilities/deferred inflows by \$41,175,990 at June 30, 2023 and \$31,994,639 at June 30, 2022.

	Net Position		
	2023	2022	2021
Current Assets	\$ 12,288,567	11,076,249	9,255,421
Capital Assets	31,279,599	22,168,757	19,363,360
Other Assets	425,536	425,536	425,536
Total Assets	<u>43,993,702</u>	<u>33,670,542</u>	<u>29,044,317</u>
Other Liabilities	2,155,544	1,084,695	1,789,007
Long-Term Liabilities	662,168	591,208	613,041
Total Liabilities	<u>2,817,712</u>	<u>1,675,903</u>	<u>2,402,048</u>
Net Position			
Net Investment in Capital Assets	31,279,599	22,168,757	18,679,172
Unrestricted	<u>9,896,391</u>	<u>9,825,882</u>	<u>7,963,097</u>
Total Net Position	<u>41,175,990</u>	<u>31,994,639</u>	<u>26,642,269</u>

A large portion of the System's net position, \$31,279,599 or 76.0 percent, reflects its net investment in capital assets (for example, land, construction in progress, buildings and improvements, vehicles, and furniture and equipment), less any related debt used to acquire those assets that is still outstanding, if applicable. The System uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The remaining 24.0 percent, or \$9,896,391, represents unrestricted net assets and may be used to meet the government's ongoing obligations to citizens and creditors.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

	Change in Net Position		
	2023	2022	2021
Revenues			
Operating Revenues			
Charges for Services	\$ 1,354,613	1,300,066	829,914
Expenses			
Operating Expenses			
Operations	16,924,458	14,454,336	12,779,813
Depreciation	2,408,174	2,283,913	1,993,389
Total Expenses	19,332,632	16,738,249	14,773,202
Operating (Loss)	(17,978,019)	(15,438,183)	(13,943,288)
Nonoperating Revenues			
Local Subsidies	2,442,088	2,453,190	2,358,570
State Operating Grants	11,576,392	12,349,426	9,000,860
Federal Operating Grants	3,008,654	3,556,751	2,403,644
Investment Income	—	355	1,048
Other Income	158,882	139,204	—
	17,186,016	18,498,926	13,764,122
Income (Loss) before Contributions	(792,003)	3,060,743	(179,166)
Capital Grants	9,917,029	2,291,627	806,155
Change in Net Position	9,125,026	5,352,370	626,989
Net Position - Beginning as Restated	32,050,964	26,642,269	26,015,280
Net Position - Ending	41,175,990	31,994,639	26,642,269

Net position increased by 28.5 percent (\$41,175,990 in 2023 compared to \$32,050,964 in 2022). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$9,896,391 at June 30, 2023. Fewer local funds were used to purchase capital assets than were received.

Net position increased by 20.1 percent (\$31,994,639 in 2022 compared to \$26,642,269 in 2021). Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints, totaled \$9,825,882 at June 30, 2022.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Management's Discussion and Analysis

June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

The System's operating revenues increased by \$54,547 or 4.2 percent, \$1,354,613 in 2023 compared to \$1,300,066 in 2022. Operating expenses increased by \$2,594,383 or 15.5 percent. \$19,332,632 in 2023 compared to \$16,738,249 in 2022. Factors that contributed to these changes included:

- Increase in passenger fares due to an increase in ridership from FY 2022 to FY 2023
- Increased salaries and wages expense and employee benefits
- Increased bus repair and maintenance due to an aging fleet

The System's operating revenues increased by \$470,152 or 56.7 percent, \$1,300,066 in 2022 compared to \$829,914 in 2021. Operating expenses increased by \$1,965,047 or 13.3 percent. \$16,738,249 in 2022 compared to \$14,773,202 in 2021. Factors that contributed to these changes included:

- Increase in passenger fares due to not collecting fares for most of FY 2021 due to COVID-19
- Increased salaries and wages expense
- Increased bus repair and maintenance due to aging fleet

CAPITAL ASSETS

The System's investment in capital assets as of June 30, 2023 was \$31,279,599 (net of accumulated depreciation). This investment in capital assets includes construction in progress, buildings and improvements, vehicles, and furniture and equipment.

	Capital Assets - Net of Depreciation		
	2023	2022	2021
Land	\$ 1,220,018	1,220,018	1,220,018
Construction in Progress	465,814	318,772	1,703,548
Buildings and Improvements	9,712,895	9,298,339	8,073,235
Vehicles	18,481,634	9,871,445	6,864,287
Furniture and Equipment	1,399,238	1,516,504	1,502,272
Total	<u>31,279,599</u>	<u>22,225,078</u>	<u>19,363,360</u>

This year's major additions included:

Construction in Progress	\$ 147,042
Buildings and Improvements	1,034,156
Vehicles	10,215,860
Furniture and Equipment	<u>65,637</u>
	<u>11,462,695</u>

Additional information on the System's capital assets can be found in Note 3 of this report.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Management's Discussion and Analysis

June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- For fiscal year 2024, 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 \$18,946,747 for operating expenses in fiscal year 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, customers, and creditors with a general overview of the System's finances and to demonstrate the System's accountability for the money it receives. Anyone having questions regarding this report or desiring additional information may contact the Finance Department, Bloomington-Normal Public Transit System, 351 Wylie Drive, Normal, IL 61761.

BASIC FINANCIAL STATEMENTS

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**Statement of Net Position****June 30, 2023****(with Comparative Information for June 30, 2022)**

	2023	2022
ASSETS		
Current Assets		
Cash and Investments	\$ 6,171,244	6,704,081
Receivables		
Accounts	357,929	465,205
Due from Other Governments	4,978,417	3,529,251
Inventories	406,542	308,573
Prepays	374,435	69,139
Total Current Assets	<u>12,288,567</u>	<u>11,076,249</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable	1,685,832	1,538,789
Depreciable	46,150,841	37,126,758
Accumulated Depreciation	<u>(16,557,074)</u>	<u>(16,496,790)</u>
Total Capital Assets	31,279,599	22,168,757
Other Assets		
Assets Held for Resale	425,536	425,536
Total Noncurrent Assets	<u>31,705,135</u>	<u>22,594,293</u>
Total Assets	<u>43,993,702</u>	<u>33,670,542</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	872,307	266,015
Accrued Payroll	288,699	190,107
Other Payables	594,538	278,573
Current Portion of Long-Term Liabilities	400,000	350,000
Total Current Liabilities	<u>2,155,544</u>	<u>1,084,695</u>
Noncurrent Liabilities		
Compensated Absences	662,168	591,208
Total Liabilities	<u>2,817,712</u>	<u>1,675,903</u>
NET POSITION		
Investment in Capital Assets	31,279,599	22,168,757
Unrestricted	<u>9,896,391</u>	<u>9,825,882</u>
Total Net Position	<u>41,175,990</u>	<u>31,994,639</u>

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

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**Statement of Revenues, Expenses and Changes in Net Position****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Charges for Services	\$ 1,354,613	1,300,066
Operating Expenses		
Operations	16,924,458	14,454,336
Depreciation	2,408,174	2,283,913
Total Operating Expenses	<u>19,332,632</u>	<u>16,738,249</u>
Operating (Loss)	<u>(17,978,019)</u>	<u>(15,438,183)</u>
Nonoperating Revenues		
Local Subsidies	2,442,088	2,453,190
State Operating Grants	11,576,392	12,349,426
Federal Operating Grants	3,008,654	3,556,751
Investment Income	—	355
Other Income	158,882	139,204
	<u>17,186,016</u>	<u>18,498,926</u>
Income (Loss) before Capital Grants	(792,003)	3,060,743
Capital Grants	<u>9,917,029</u>	<u>2,291,627</u>
Change in Net Position	9,125,026	5,352,370
Net Position - Beginning as Restated	<u>32,050,964</u>	<u>26,642,269</u>
Net Position - Ending	<u><u>41,175,990</u></u>	<u><u>31,994,639</u></u>

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

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**Statement of Cash Flows****For the Fiscal Year Ended June 30, 2023****(with Comparative Information for the Fiscal Year Ended June 30, 2022)**

	2023	2022
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 1,217,510	1,352,598
Payments to Suppliers	(5,760,806)	(6,734,833)
Payments to Employees	(10,021,843)	(8,445,648)
	<u>(14,565,139)</u>	<u>(13,827,883)</u>
Cash Flows from Noncapital Financing Activities		
State Operating Grants	9,719,902	10,124,201
Federal Operating Grants	3,415,978	2,963,674
	<u>13,135,880</u>	<u>13,087,875</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(11,462,695)	(5,089,310)
Capital Grants	9,917,029	2,291,627
Local Subsidies	2,442,088	2,453,190
	<u>896,422</u>	<u>(344,493)</u>
Cash Flows from Investing Activities		
Interest Received	—	355
Net Change in Cash and Cash Equivalents	(532,837)	(1,084,146)
Cash and Cash Equivalents - Beginning	6,704,081	7,788,227
Cash and Cash Equivalents - Ending	<u>6,171,244</u>	<u>6,704,081</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating (Loss)	(17,978,019)	(15,438,183)
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	2,408,174	2,283,913
Other Income	158,882	139,204
(Increase) Decrease in Current Assets	(295,985)	(86,672)
Increase (Decrease) in Current Liabilities	1,141,809	(726,145)
Net Cash Provided by Operating Activities	<u>(14,565,139)</u>	<u>(13,827,883)</u>

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

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the System's accounting policies established in GAAP and used by the System are described below.

REPORTING ENTITY

In determining the financial reporting entity, the System complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the System. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

BASIS OF PRESENTATION

In the Statement of Net Position, the System's activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets/deferred outflows and receivables as well as long-term obligations/deferred inflows.

The System uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The System utilizes a single proprietary fund. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Measurement Focus

All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

The System’s basic financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the System are charges to customers for services. Operating expenses include the cost of services, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For purpose of the Statement of Net Position, the System's cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds’ Statement of Cash Flows, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The System does not have any investments.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for business-type activities include charges for services.

Prepays/Inventories/Assets Held for Resale

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements. Prepays/inventories/assets held for resale are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated historical cost. For movable property, the System's capitalization policy includes all items with a unit cost of \$10,000 or more, depending on asset class, and an estimated useful life that is greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Depreciation has been provided using the straight-line method over the following estimated useful lives of the assets:

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

Compensated Absences

The System accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY - Continued

Net Position

Equity is classified as net position and displayed in three components, as applicable:

Investment in Capital Assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

Permitted Deposits and Investments - Statutes authorize the System to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services.

Deposits. At year-end, the carrying amount of the System’s deposits totaled \$6,171,244 and the bank balances totaled \$6,390,628. For the year ended June 30, 2022, the carrying amount of the System’s deposits totaled \$6,704,081 and the bank balances totaled \$6,727,922.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System does not have an investment policy that addresses interest rate risk.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The System does not have an investment policy that addresses credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System does not have an investment policy that addresses concentration of credit risk. At year-end, the System does not have any investments over 5 percent of the total cash and investment portfolio.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the System's deposits may not be returned to it. The System does not have an investment policy that addresses custodial credit risk for deposits. At June 30, 2023, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System does not have an investment policy that addresses custodial credit risk for investments.

DUE FROM OTHER GOVERNMENTS

Due from other governments were as follows at year-end:

	2023	2022
Federal Operating Assistance Grant	\$ 721,942	1,129,266
State of Illinois Operating Assistance Grant	4,256,475	2,399,985
	<u>4,978,417</u>	<u>3,529,251</u>

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.

ASSETS HELD FOR RESALE

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 year-end, which is lower of cost or net realizable value.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

The following is a summary of capital asset activity for the year:

	Restated Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 1,220,018	—	—	1,220,018
Construction in Progress	318,772	147,042	—	465,814
	<u>1,538,790</u>	<u>147,042</u>	<u>—</u>	<u>1,685,832</u>
Depreciable Capital Assets				
Buildings and Improvements	12,245,612	1,034,156	—	13,279,768
Vehicles	18,480,042	10,215,860	—	28,695,902
Furniture and Equipment	4,109,534	65,637	—	4,175,171
	<u>34,835,188</u>	<u>11,315,653</u>	<u>—</u>	<u>46,150,841</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,947,273	619,600	—	3,566,873
Vehicles	8,608,597	1,605,671	—	10,214,268
Furniture and Equipment	2,593,030	182,903	—	2,775,933
	<u>14,148,900</u>	<u>2,408,174</u>	<u>—</u>	<u>16,557,074</u>
Total Net Depreciable Capital Assets	<u>20,686,288</u>	<u>8,907,479</u>	<u>—</u>	<u>29,593,767</u>
Total Net Capital Assets	<u>22,225,078</u>	<u>9,054,521</u>	<u>—</u>	<u>31,279,599</u>

Depreciation expense of \$2,408,174 was charged to operations during the fiscal year.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Liability	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Compensated Absences	\$ 941,208	241,920	120,960	1,062,168	400,000

Line of Credit

The System maintains a \$2,500,000 line of available credit which bears interest on the balances drawn at an adjustable prime rate, but no less than 9.75%. The line of credit expires November 30, 2023. During the fiscal year, the System drew down proceeds of \$856,370 and repaid \$856,370. The System had an outstanding balance on the line of credit of \$0 at June 30, 2023 and June 30, 2022.

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets was comprised of the following at year-end:

Capital Assets - Net of Accumulated Depreciation	\$ 31,279,599
Less: Capital Related Debt	
None	<u> —</u>
Net Investment in Capital Assets	<u><u>31,279,599</u></u>

NET POSITION RESTATEMENT

Beginning net position was restated to correct errors in recognition of prior year capital assets. The following is a summary of the net position as originally reported and as restated:

	As Reported	As Restated	Increase
\$	31,994,639	32,050,964	56,325

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION

RISK MANAGEMENT

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.

COMMITMENTS

As of year-end, the System has entered into several contracts totaling \$16,800,729, for which the amount paid or accrued at year-end related to these contracts was \$14,749,915. The remaining balance on these contracts is \$2,050,814 at June 30, 2023. 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.

CONTINGENT LIABILITIES

Litigation

From time to time, the System is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the System attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the System's financial position or results of operations.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the System expects such amounts, if any, to be immaterial.

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, 2022, payments received from the City of Bloomington and Town of Normal totaled \$1,457,445 and \$995,745, respectively. For the year ended June 30, 2023, payments received from the City of Bloomington and Town of Normal totaled \$1,390,221 and \$1,051,867, respectively.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Financial Statements

June 30, 2023

NOTE 4 - OTHER INFORMATION - Continued

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 12 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, 2022 totaled \$929,663, which consisted of \$519,666 contributed by the employees and \$409,997 contributed by the System. Contributions to the Plan for the year ended June 30, 2023 totaled \$923,856, which consisted of \$422,630 contributed by the employees and \$501,226 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.

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended June 30, 2023**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services			
Passenger Fares	\$ 525,000	525,000	546,605
Contract Fares	769,678	769,678	808,008
Total Operating Revenues	<u>1,294,678</u>	<u>1,294,678</u>	<u>1,354,613</u>
Operating Expenses			
Operations			
Salaries and Wages	10,213,052	10,213,052	10,021,843
Benefits	3,420,443	3,420,443	2,997,915
Professional Services	610,876	610,876	758,998
Materials and Supplies	2,517,495	2,517,495	2,111,065
Utilities	182,720	182,720	177,891
Casualty and Liability	427,480	427,480	494,361
Vehicle Inspection and Registration	8,000	8,000	6,083
Miscellaneous	383,033	383,033	356,302
Depreciation	—	—	2,408,174
Total Operating Expenses	<u>17,763,099</u>	<u>17,763,099</u>	<u>19,332,632</u>
Operating (Loss)	<u>(16,468,421)</u>	<u>(16,468,421)</u>	<u>(17,978,019)</u>
Nonoperating Revenues			
Local Subsidies	2,669,865	2,669,865	2,442,088
State Operating Grants	11,546,014	11,546,014	11,576,392
Federal Operating Grants	3,454,907	3,454,907	3,008,654
Investment Income	500	500	—
Other Income	117,000	117,000	158,882
	<u>17,788,286</u>	<u>17,788,286</u>	<u>17,186,016</u>
Income (Loss) before Grants	1,319,865	1,319,865	(792,003)
Capital Grants	<u>12,717,921</u>	—	<u>9,917,029</u>
Change in Net Position	<u>14,037,786</u>	<u>1,319,865</u>	<u>9,125,026</u>
Net Position - Beginning as Restated			<u>32,050,964</u>
Net Position - Ending			<u>41,175,990</u>

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Consolidated Year-End Financial Report
June 30, 2023**

CSFA #	Program Name	State	Federal	Other	Total
494-80-113	Transit Statewide/Non-Metropolitan Transportation Planning - State	\$ 6,068	—	—	6,068
494-80-113	Transit Statewide/Non-Metropolitan Transportation Planning - Federal Sec 5305(e)	24,272	—	—	24,272
494-80-114	Transit Downstate Operating Assistance Program	15,444,785	3,008,654	4,596,832	23,050,271
	Other Grant Programs and Activities	—	6,018,296	—	6,018,296
	All Other Costs Not Allocated	—	—	(9,766,275)	(9,766,275)
	Totals	15,475,125	9,026,950	(5,169,443)	19,332,632



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

March 19, 2024

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 and the aggregate remaining fund information of the Bloomington-Normal Public Transit System, Normal, Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System’s basic financial statements, and have issued our report thereon dated March 19, 2024.

Report on 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System’s internal control. According, 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 System’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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*.

Bloomington-Normal Public Transit System
Normal, Illinois
March 19, 2024

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 System'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULES

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Schedule of Computation of Federal Operating Assistance Grant For the Fiscal Year Ended June 30, 2023

Operating Expenses, Excluding Depreciation	\$ 16,924,458
Less: Ineligible Expenses:	
APTA and IPTA Dues	(3,500)
Advertising Expenses	(83,305)
Lobbying Expense	(119,500)
Miscellaneous Expense	(43,568)
Total Eligible Operating Expenses	<u>16,674,585</u>
Less: Offsets to Total Eligible Operating Expenses:	
Passenger Fares	(546,605)
Contract Fares	(808,008)
City of Bloomington and Town of Normal Support	(1,300,000)
Auxiliary Revenue	<u>(156,255)</u>
Net Federal Project Cost	13,863,717
Federal Participation Rate Limit	50%
Federal Participation Limit	<u>6,931,859</u>
Actual Federal Participation:	
Net Federal Project Cost	13,863,717
State Operating Assistance	(15,444,785)
State Operating Assistance Applied to Costs Ineligible for Federal Operating Assistance	<u>4,589,722</u>
Calculated Federal Operating Assistance	<u>3,008,654</u>
Maximum Federal Operating Assistance	6,931,859
Actual Federal Operating Assistance - Lessor of Calculated and Maximum Federal Operating Assistance	3,008,654
Payments Received from FTA as of June 30, 2023	<u>2,286,712</u>
Due from FTA as of June 30, 2023	<u><u>721,942</u></u>

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Schedule of Computation of Downstate Operating Assistance Grant For the Fiscal Year Ended June 30, 2023

Revenues	
Passenger Fares	\$ 546,605
Contract Fares	808,008
City of Bloomington and Town of Normal Support	1,300,000
Federal Cash Grants and Reimbursements	3,008,654
Auxiliary Revenue	<u>156,255</u>
Total Revenue	<u>5,819,522</u>
Expenses, Net of Depreciation	
Labor	10,021,843
Fringe Benefits	2,997,915
Professional Services	758,998
Materials and Supplies Consumed	2,111,065
Utilities	177,891
Casualty and Liability	494,361
Vehicle Inspection and Registration	6,083
Debt Services	1,099,324
Miscellaneous Expense	<u>356,302</u>
Total Expenses	<u>18,023,782</u>
Less: Ineligible Expenses:	
APTA and IPTA Dues	(3,500)
Lobbying Expense	(119,500)
Miscellaneous Expense	<u>(43,568)</u>
Total Ineligible Expenses	<u>(166,568)</u>
Total Eligible Operating Expenses	17,857,214
Total Eligible Expenses	17,857,214
Total Revenues	<u>5,819,522</u>
Deficit	<u>(12,037,692)</u>
65% of Eligible Expense	11,607,189
Maximum Contract Amount	15,279,600
Eligible Downstate Operating Assistance	11,576,394
Downstate Operating Assistance	
Received through June 30, 2023	8,403,031
Downstate Operating Assistance Received	
Subsequent to June 30, 2022	<u>3,171,052</u>
Downstate Operating Assistance Due	<u><u>2,311</u></u>

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the System's overall financial health.

Financial Trends

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

These schedules contain information to help the reader assess the System's most significant revenue sources.

Demographic and Economic Information

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

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 the System provides and the activities it performs.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Net Position by Component - Last Ten Fiscal Years

June 30, 2023 (Unaudited)

See Following Page

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Net Position by Component - Last Ten Fiscal Years
June 30, 2023 (Unaudited)

	2014	2015	2016
Net Investment in Capital Assets	\$ 12,391,162	12,014,623	14,665,222
Unrestricted	6,117,621	6,403,141	6,062,660
Total Net Position	<u>18,508,783</u>	<u>18,417,764</u>	<u>20,727,882</u>

Data Source: Audited Financial Statements

2017	2018	2019	2020	2021	2022	2023
16,819,419	20,494,613	19,601,199	18,523,354	18,679,172	22,168,757	31,279,599
6,059,226	6,366,167	6,961,516	7,491,926	7,963,097	9,825,882	9,896,391
22,878,645	26,860,780	26,562,715	26,015,280	26,642,269	31,994,639	41,175,990

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Changes in Net Position - Last Ten Fiscal Years
June 30, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Revenues										
Charges for Services										
Passenger and Contract Fares	\$ 1,371,605	1,433,468	1,413,686	1,251,585	1,303,139	1,351,668	1,203,698	735,987	1,300,066	546,605
Other Operating Revenue	16,257	119,683	151,208	121,139	86,392	126,214	131,023	93,927	139,204	808,008
Total Operating Revenues	1,387,862	1,553,151	1,564,894	1,372,724	1,389,531	1,477,882	1,334,721	829,914	1,439,270	1,354,613
Operating Expenses										
Operations										
Salaries and Wages	5,695,108	6,170,601	6,397,683	7,260,197	7,311,970	7,546,803	8,059,042	7,566,516	8,445,648	10,021,843
Benefits	1,258,775	1,381,280	1,409,311	1,995,413	1,880,372	2,001,726	2,105,778	2,156,078	2,269,964	2,997,915
Professional Services	679,772	681,196	995,491	822,085	900,805	650,227	878,039	1,128,868	1,259,437	758,998
Materials and Supplies	1,300,730	1,219,269	1,024,718	850,234	915,944	1,032,316	931,640	855,732	1,135,474	2,111,065
Utilities	127,004	128,635	104,102	117,286	105,077	115,780	112,534	151,831	170,165	177,891
Casualty and Liability	457,147	411,638	473,071	454,432	577,853	606,389	585,299	631,160	731,092	494,361
Vehicle Inspection and Registration	—	—	—	—	—	—	—	—	—	6,083
Miscellaneous	320,478	366,041	393,152	342,831	471,549	296,305	337,070	289,628	442,556	356,302
Depreciation	1,327,202	1,121,471	1,194,661	1,570,868	1,642,567	1,849,015	1,877,299	1,993,389	2,283,913	2,408,174
Total Operating Expenses	11,166,216	11,480,131	11,992,189	13,413,346	13,806,137	14,098,561	14,886,701	14,773,202	16,738,249	19,332,632
Operating Income (Loss)	(9,778,354)	(9,926,980)	(10,427,295)	(12,040,622)	(12,416,606)	(12,620,679)	(13,551,980)	(13,943,288)	(15,298,979)	(17,978,019)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Nonoperating Revenues (Expenses)										
Local Subsidies	\$ 928,820	986,934	1,205,110	2,165,624	2,041,055	2,097,311	2,151,028	2,358,570	2,453,190	2,442,088
State Operating Grants	6,378,435	6,721,529	7,064,354	7,681,950	7,719,588	7,886,760	8,443,483	9,000,860	12,349,426	11,576,392
Federal Operating Grants	2,024,376	2,025,608	2,131,109	1,739,100	1,742,929	1,738,011	2,151,804	2,403,644	3,556,751	3,008,654
Investment Income	4,133	5,023	4,157	2,057	1,590	1,592	1,458	1,048	355	—
Other Income	—	—	—	—	—	—	—	—	—	158,882
Interest Expense	—	—	—	—	—	—	—	—	—	—
Total Nonoperating Revenues (Expenses)	9,335,764	9,739,094	10,404,730	11,588,731	11,505,162	11,723,674	12,747,773	13,764,122	18,359,722	17,186,016
Income Before Capital Grants	(442,590)	(187,886)	(22,565)	(451,891)	(911,444)	(897,005)	(804,207)	(179,166)	3,060,743	(792,003)
Capital Grants	398,703	96,867	2,332,683	2,602,654	4,893,579	598,940	256,772	806,155	2,291,627	9,917,029
Change in Net Position	(43,887)	(91,019)	2,310,118	2,150,763	3,982,135	(298,065)	(547,435)	626,989	5,352,370	9,125,026

* Accrual Basis of Accounting

Data Source: Audited Financial Statements

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Revenue by Source - Last Ten Fiscal Years June 30, 2023 (Unaudited)

Fiscal Year	Federal and State Grants	Local Subsidies	Passenger and Contract Fares	Interest Income	Other Operating Revenues	Total
2014	\$ 8,801,514	928,820	1,371,605	4,133	16,257	11,122,329
2015	8,843,704	986,934	1,433,468	5,023	119,683	11,388,812
2016	11,528,146	1,205,110	1,413,686	4,157	151,208	14,302,307
2017	12,023,704	2,165,624	1,251,585	2,057	121,139	15,564,109
2018	14,356,096	2,041,055	1,303,139	1,590	86,392	17,788,272
2019	10,223,711	2,097,311	1,351,668	1,592	126,214	13,800,496
2020	10,852,059	2,151,028	1,203,698	1,458	131,023	14,339,266
2021	12,210,659	2,358,570	735,987	1,048	93,927	15,400,191
2022	18,197,804	2,453,190	1,300,066	355	139,204	22,090,619
2023	24,502,075	2,442,088	1,354,613	—	158,882	28,457,658

Data Source: Audited Financial Statements

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Revenue Payers - Current Year and Nine Years Ago
June 30, 2023 (Unaudited)**

Employer	2023			2014		
	Revenue	Rank	Percentage	Revenue	Rank	Percentage
Illinois Department of Transportation	\$ 15,475,126	1	54.38%	\$ 6,378,435	1	57.35%
Federal Transit Administration	9,026,949	2	20.44%	2,423,079	2	21.79%
Totals	<u>24,502,075</u>		<u>74.82%</u>	<u>8,801,514</u>		<u>79.14%</u>

Data Source: Audited Financial Statements

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Demographic and Economic Statistics - Last Ten Calendar Years June 30, 2023 (Unaudited)

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (1)
2014	131,570	\$ 5,592,777,560	\$ 42,508	7.3%
2015	133,324	5,796,794,196	43,479	5.5%
2016	133,324	5,741,464,736	43,064	4.9%
2017	132,269	5,872,346,793	44,397	5.1%
2018	132,902	6,052,224,178	45,539	4.1%
2019	132,704	6,283,534,400	47,350	4.2%
2020	131,799	6,481,874,820	49,180	3.8%
2021	131,799	6,537,493,998	49,602	3.8%
2022	131,583	7,189,563,537	54,639	4.4%
2023*	131,583	7,189,563,537	54,639	4.4%

Data Sources:

(1) Bloomington-Normal Economic Development Council Demographic Profile

(2) U.S. Commerce Department - Bureau of Economic Analysis

* Most recently available data

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Principal Employers - Prior Calendar Year and Nine Calendar Years Ago
June 30, 2023 (Unaudited)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City and Town Employment	Employees	Rank	Percentage of Total City and Town Employment
State Farm Insurance	13,000	1	14.10%	14,935	1	16.50%
Rivian	5,532	2	6.00%			
Illinois State University	3,885	3	4.20%	3,251	2	3.60%
Country Financial	3,718	4	4.00%	1,955	3	2.20%
Unit 5 School District	2,432	5	2.60%	1,674	4	1.80%
Carle BroMenn Hospital	2,278	6	2.50%	1,347	5	1.50%
Heritage Operations Group	2,000	7	2.20%			
OSF - St. Joseph Medical Center	1,286	8	1.40%	1,028	7	1.10%
City of Bloomington	1,008	9	1.10%			
District 87 Schools	800	10	0.90%	700	9	0.80%
Mitsubishi Motor Manufacturing				1,294	6	1.40%
McLean County				806	8	0.90%
Afni, Inc.				700	10	0.80%
Totals	<u>35,939</u>		<u>39.00%</u>	<u>27,690</u>		<u>30.60%</u>
Bloomington-Normal Labor Force	<u>92,304</u>			<u>90,654</u>		

Data Source:

Bloomington-Normal Economic Development Council Demographic Profile

(1) Information Not Yet Available for 2023

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Full-Time Equivalent Employees by Function - Last Ten Fiscal Years
June 30, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transit Operations	82	81	89	97	103	106	101	106	112	129
Maintenance	15	16	17	19	21	17	16	18	16	17
Administration	13	13	18	11	11	14	13	9	13	13
Total	110	110	124	127	135	137	130	133	141	159

Data Source: System Records

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Operating Indicators - Last Ten Fiscal Years

June 30, 2023 (Unaudited)

See Following Page

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Operating Indicators - Last Ten Fiscal Years
June 30, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Unlinked Passenger Trips										
Fixed Route	2,521,963	2,654,677	2,427,565	2,217,641	2,240,810	2,442,954	2,118,110	1,495,199	1,718,364	2,024,124
Demand Response	65,382	74,134	75,477	83,366	89,313	90,518	70,066	55,199	77,395	101,395
Total	2,587,345	2,728,811	2,503,042	2,301,007	2,330,123	2,533,472	2,188,176	1,550,398	1,795,759	2,125,519
Passenger Miles										
Fixed Route	7,767,646	7,436,845	7,354,690	6,737,597	6,725,658	6,463,762	5,035,053	3,664,063	3,879,326	4,461,143
Demand Response	372,205	398,609	428,145	486,869	497,119	506,747	377,721	273,928	410,373	566,478
Total	8,139,851	7,835,454	7,782,835	7,224,466	7,222,777	6,970,509	5,412,774	3,937,991	4,289,699	5,027,621
Total Actual Miles										
Fixed Route	1,312,781	1,310,106	1,334,158	1,430,661	1,375,623	1,351,881	1,327,117	1,329,915	1,275,295	1,322,187
Demand Response	353,422	385,865	408,808	419,883	422,061	440,826	374,143	314,965	432,358	544,193
Total	1,666,203	1,695,971	1,742,966	1,850,544	1,797,684	1,792,707	1,701,260	1,644,880	1,707,653	1,866,380
Total Actual Hours										
Fixed Route	93,148	93,933	94,575	119,722	115,140	111,124	106,479	106,100	103,302	108,539
Demand Response	28,953	30,266	30,643	31,475	33,853	35,663	31,501	29,195	37,638	44,616
Total	122,101	124,199	125,218	151,197	148,993	146,787	137,980	135,295	140,940	153,155
Vehicle Revenue Miles										
Fixed Route	1,266,588	1,266,037	1,287,354	1,306,691	1,297,165	1,293,762	1,250,052	1,201,631	1,215,890	1,261,890
Demand Response	292,029	341,637	352,242	365,955	364,377	378,915	321,200	267,582	373,881	477,632
Total	1,558,617	1,607,674	1,639,596	1,672,646	1,661,542	1,672,677	1,571,252	1,469,213	1,589,771	1,739,522

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Operating Indicators - Last Ten Fiscal Years - Continued
June 30, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vehicle Revenue Hours										
Fixed Route	90,579	91,253	92,315	113,325	111,187	108,169	102,557	99,458	100,154	104,761
Demand Response	24,591	26,078	26,479	27,753	30,022	31,213	27,654	25,114	33,164	39,780
Total	115,170	117,331	118,794	141,078	141,209	139,382	130,211	124,572	133,318	144,541
Total Operating Expenses										
Fixed Route	7,691,160	7,891,011	8,197,286	9,252,731	9,243,650	9,274,585	9,833,788	9,725,731	10,627,212	12,191,784
Demand Response	2,129,852	2,467,647	2,588,244	2,589,747	2,919,920	2,974,961	3,175,617	3,054,081	3,827,125	4,732,674
Total	9,821,012	10,358,658	10,785,530	11,842,478	12,163,570	12,249,546	13,009,405	12,779,812	14,454,337	16,924,458
Fare Revenue										
Fixed Route	1,252,642	1,303,049	1,280,909	1,127,929	1,169,718	1,216,019	1,055,352	651,210	1,180,731	1,222,998
Demand Response	118,962	130,418	132,776	123,656	133,421	135,649	148,347	84,777	119,335	131,615
Total	1,371,604	1,433,467	1,413,685	1,251,585	1,303,139	1,351,668	1,203,699	735,987	1,300,066	1,354,613
Cost per Passenger Mile										
Fixed Route	0.99	1.06	1.11	1.37	1.37	1.43	1.95	2.65	2.74	2.73
Demand Response	5.72	6.19	6.05	5.32	5.87	5.87	8.41	11.15	9.33	8.35
Cost per Total Actual Mile										
Fixed Route	5.86	6.02	6.14	6.47	6.72	6.86	7.41	7.31	8.33	9.22
Demand Response	6.03	6.40	6.33	6.17	6.92	6.75	8.49	9.70	8.85	8.70
Cost per Unlinked Passenger Trip										
Fixed Route	3.05	2.97	3.38	4.17	4.13	3.80	4.64	6.50	6.18	6.02
Demand Response	32.58	33.29	34.29	31.06	32.69	32.87	45.32	55.33	49.45	46.68

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Operating Indicators - Last Ten Fiscal Years - Continued
June 30, 2023 (Unaudited)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cost per Total Actual Hour										
Fixed Route	82.57	84.01	86.67	77.29	80.28	83.46	92.35	91.67	102.88	112.33
Demand Response	73.56	81.53	84.46	82.28	86.25	83.42	100.81	104.61	101.68	106.08
Fare Revenue per Passenger Trip										
Fixed Route	0.62	0.50	0.53	0.51	0.52	0.50	0.50	0.44	0.69	0.60
Demand Response	1.86	1.82	1.76	1.48	1.49	1.50	2.12	1.54	1.54	1.30
Full-Time Equivalent Employees										
Fixed Route	88.10	88.14	96.31	100.10	105.85	108.05	98.87	101.42	106.04	116.03
Demand Response	21.90	21.86	27.69	26.90	29.15	29.95	31.13	31.58	34.96	42.97
Total	110.00	110.00	124.00	127.00	135.00	138.00	130.00	133.00	141.00	159.00
Capital Asset - Revenue Vehicles										
Fixed Route	35.00	35.00	40.00	42.00	37.00	39.00	37.00	37.00	39.00	45.00
Demand Response	21.00	21.00	16.00	13.00	17.00	18.00	18.00	19.00	19.00	19.00
Total	56.00	56.00	56.00	55.00	54.00	57.00	55.00	56.00	58.00	64.00

Data Sources:
2021 and Prior - National Transit Database Data
2022 and Future - Bloomington-Normal Public Transit

BLOOMINGTON-NORMAL PUBLIC
TRANSIT SYSTEM
NORMAL, ILLINOIS

SINGLE AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023



BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

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BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

Cluster Name/ Federal Grantor	Pass-Through Grantor	Program Title	Assistance Listing Number	Program/Grant Number	Expenditures	Amount Provided to Subrecipients
Federal Transit Cluster						
Department of Transportation	N/A	Federal Transit - Formula For Operations:	20.507	IL-2022-002-00 \$	3,008,654	-
		For Capital Additions:	20.507	IL-2020-037-01	129,432	-
			20.507	IL-2020-048-01	198,233	-
			20.507	IL-2021-032-00	5,610,840	-
			20.507	IL-2023-008-00	79,791	-
TOTAL FEDERAL AWARDS EXPENDED					9,026,950 *	-

*Denotes major federal program

See accompanying notes to the schedule of expenditures of federal awards.

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

Notes to the Schedule of Expenditures of Federal Awards June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the System under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

Pass-Through Entities

Pass-through entity identifying numbers are presented on the Schedule where available.

NOTE 3 – 10% DE MINIMIS INDIRECT COST RATE

The System has selected to use the 10% de minimis indirect cost rate as permitted by 2 CFR Section 200.414.

NOTE 4 – SUBRECIPIENT RELATIONSHIPS

The System did not remit any funds to subrecipients.



**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***

March 19, 2024

Members of the 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 business-type activities of the Bloomington-Normal Public Transit System as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated March 19, 2024.

Report on 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of System's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 System's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Bloomington-Normal Public Transit System
March 19, 2024

Reporting on 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*.

We noted certain other matters that we reported to management of the System in a separate letter dated March 19, 2024.

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 System'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP



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

March 19, 2024

Members of the 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, Illinois' compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the Systems' major federal programs for the year ended June 30, 2023. The System's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

Management Responsibility

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

Auditor's 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 Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance required 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 our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the System's compliance.

Bloomington-Normal Public Transit System
March 19, 2024

Opinion on Each Major Federal Program

In our opinion, the Bloomington-Normal Public Transit System, Illinois 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, 2023.

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 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Bloomington-Normal Public Transit System
March 19, 2024

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of the Bloomington-Normal Public Transit System, Illinois as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements. We issued our report thereon dated March 19, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2023**

SECTION 1 – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Noncompliance material to the financial statements noted:	No

Federal Awards

Type of auditor’s report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weakness(es) identified:	No
Significant deficiencies identified:	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a):	No

Major programs identified:	
<u>ALN Number(s)</u>	<u>Name of Federal Program/Cluster</u>
20.507	Federal Transit - Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee:	No

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2023**

SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS

None

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2023**

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM

**Schedule of Findings and Questioned Costs – Continued
Year Ended June 30, 2023**

SECTION 4 – PRIOR YEAR AUDIT FINDINGS

None