



# AGENDA

## Meeting of the Connect Transit Board of Trustees

October 27, 2015

4:30 P.M.

**Board Room  
Connect Transit Operations Facility  
351 Wylie Drive, Normal, IL 61761**

- A. Call to Order
- B. Recommendation to Allow Remote Participation in the October 27, 2015 Board Meeting by Trustee John Bowman
- C. Roll Call
- D. Public Comments
- E. Consent Agenda
  - 1. Approval of Minutes of Previous Meeting of September 22, 2015 and Executive Session of September 1, 2015
  - 2. Disbursements for Month of October, 2015
  - 3. Financial Report for Month of September, 2015
  - 4. Capital and Self Insurance Reserve Fund Balances for month of September, 2015
  - 5. FY 2016 First Quarter Ridership Data and Trends
  - 6. Monthly Statistical Report for month of September, 2015
- F. Old Business
- G. New Business
  - 1. Presentation of FY 2015 Audit – CliftonLarsonAllen
  - 2. Recommendation for Snow Removal Services IFB 15-15
  - 3. Recommendation for Snow Plowing Services IFB 15-14
  - 4. Annual Performance Review and Compensation for the General Manager
- H. General Manager's Report
  - 1. Strategic Plan Update - October 2015
- I. Trustee's Comments
- J. Executive Session – 5 ILCS 120/(c)(21) – Review of Closed Session Minutes
- K. Adjournment



September 2015

# Financial and Statistical Reports

Disbursements to be Approved  
 October 27, 2015

Payee	Goods Purchased	Amount
4Imprint	Printed Materials	\$ 1,046.39
A.T.U. - C.O.P.E.	Payroll Deduction	\$ 155.32
Ace-Hi Glass Co.	Glass	\$ 1,523.25
Adam Rahn	APTA Video	\$ 700.00
Advocate Occupational Health	Drug Testing	\$ 120.00
Airgas USA, LLC	Welding Supplies	\$ 294.59
Amalgamated Transit Union Local 752	Payroll Deduction	\$ 7,857.55
Ancel, Glink, Diamond, Bush, DiCianni &	Legal Service	\$ 50.00
Andrew Johnson	Car Allowance - 2 months	\$ 1,000.00
Barker Motor Co.	Bus Parts	\$ 438.91
BlueLine Rental	Machine Rental	\$ 637.50
Brian Ishakah Braimah	Reimbursement of Overpayment	\$ 950.00
Brinks US	Armored Services	\$ 315.51
Central Illinois Regional Broadband Netw	Internet	\$ 347.84
Central Illinois Trucks Inc.	Bus Parts	\$ 5,276.61
City of Bloomington	Utilites	\$ 599.51
Clark Baird Smith, LLP	Legal Service	\$ 3,492.50
Clear Talk	Bus Parts	\$ 43.67
CliftonLarsonAllen LLP	Audit Services	\$ 5,000.00
Comcast Cable	Internet	\$ 407.85
Commerce Bank - VISA	Travel & Meetings	\$ 5,145.15
Commerce Bank - VISA	Advertising-Employment	\$ 325.61
Commerce Bank - VISA	Safety/Training	\$ 10.00
Commerce Bank - VISA	Computer Software	\$ 159.34
Commerce Bank - VISA	Shipping/Handling	\$ 3.60
Commerce Bank - VISA	Bus Parts- FR	\$ 15.20
Commerce Bank - VISA	Advertising- Promotions	\$ 629.60
Commerce Bank - VISA	Printed Materials	\$ 311.65
Commerce Bank - VISA	Dues & Subscriptions	\$ 400.00
Commerce Bank - VISA	Employee Recognition	\$ 14.03
Commerce Bank - VISA	Building Maintenance	\$ 495.29
Commerce Bank - VISA	Office Supplies	\$ 465.58
Commerce Bank HSA	Employee H S A Reimbursement	\$ 1,339.00
Corn Belt Energy Corp.	Utilites	\$ 4,363.30
Cummins Crosspoint	Bus Parts	\$ 11,374.08
Dave Singletary	Uniform reimbursement	\$ 86.18
Dennison Corporation	Outside Repair	\$ 401.28
Dish Network	Television Service	\$ 130.00
East St. Hardware and Tools	Bus Parts	\$ 15.70
Ecolane USA, Inc.	Software Licensing	\$ 275.00
Engraving Express	Office Supplies	\$ 390.00
Evergreen FS	Fuel	\$ 100,572.83
Fast Signs	Printed Materials	\$ 1,152.00
Fastenal Company	Bus Parts	\$ 1,804.66
FedEx	Shipping	\$ 161.70
Fleet-Net Corporation	Software & Tech Support	\$ 1,580.00
Frontier	Telephone	\$ 1,105.01

FS Custom Turf	Grounds Maintenance	\$	1,190.00
G&K Services	Cleaning Uniforms & Rugs	\$	1,497.30
Gabe Goldsmith	Travel Reimbursement	\$	203.65
Gary May	Uniform Reimbursement	\$	48.97
Gatekeeper Systems, INC.	Bus Parts	\$	10,436.45
Getz Fire Equipment	Safety/Training	\$	1,061.10
Gillig LLC	Bus Parts	\$	23,018.57
Great Plains Media	Radio Advertising	\$	1,444.00
Harmony Business Supplies	Safety/Training	\$	185.75
Health Alliance Medical Plans	Insurance	\$	81,254.00
Heller Ford	Bus Parts	\$	656.04
Henson Disposal	Garage Overhead	\$	202.50
Heritage Machine & Welding, Inc.	Bus Parts	\$	220.63
ICMA- Retirement Trust- 457	Payroll Deduction	\$	17,854.05
Idaho Child Support Receipting	Payroll Deduction	\$	190.00
Illinois Department of Revenue	Payroll Deduction	\$	15,853.77
Illinois State Disbursement Unit	Payroll Deduction	\$	2,839.52
Illinois State University	IPTA - Ewing Manor	\$	300.00
Inland Power Group	Bus Parts	\$	640.00
IWIN	Employee Physicals	\$	1,020.00
J&J Performance Powder Coating	Powder Coating	\$	250.00
John H. Germeraad, Trustee	Payroll Deduction	\$	960.00
Julie Lindoerfer	Uniform reimbursement	\$	174.40
Luminator	Bus Parts	\$	1,813.24
Marjoe Banks	Employee Reimbursement	\$	84.56
Marty Eckert	Uniform reimbursement	\$	21.54
Michelin North America, Inc	Tires	\$	14,986.78
Midwest Transit Equipment, Inc.	Bus Parts	\$	752.52
Miller Janitor Supply	Maintenance Supplies	\$	955.87
Minerva Promotions	Uniforms	\$	2,889.04
Mohawk Mfg. & Supply Co.	Bus Parts	\$	229.38
Morris Avenue Garage	Bus Inspection	\$	175.00
Mutual of Omaha	Life, AD&D,STD & LTD	\$	11,167.46
Napa Auto Parts	Bus Parts	\$	16.38
Nelson Nygaard	Consulting Fees - COA	\$	4,764.50
New Flyer Industries Canada UIC	Bus Parts	\$	901.32
Nicor Gas	Utilites	\$	165.64
North American Bus Industries	Bus Parts	\$	688.46
Oberlander Alarm Systems, Inc.	Security Alarm Service Fee	\$	197.00
Oklahoma Centralized Support Registry	Payroll Deduction	\$	450.76
Orkin Pest Control	Pest Control	\$	1,077.92
Payroll		\$	322,996.07
Petty Cash	Reimbursement	\$	5.00
Piercy Auto Body	Bus Repair	\$	4,356.17
Pinnacle Door	Door Repair	\$	560.48
Pixelpushers, Inc	Website Annual Service Fee	\$	4,910.00
Redbird Catering	IPTA - Ewing Manor	\$	6,260.14
Ricoh USA, INC	Copier	\$	516.00
Rilco, Inc.	Oil, Anitfreeze	\$	3,706.72
Robert Perkovich	Legal Service	\$	750.00
Roy Lyons	Uniform reimbursement	\$	59.82

Shawn Kozlowski	IPTA - PA System	\$	200.00
Shirley Robinson	Travel Reimbursement	\$	180.00
Skillpath	Travel & Meetings	\$	199.00
Southtown Wrecker Service, Inc.,	Towing	\$	790.00
Staples	Office Supplies	\$	688.27
The Copy Shop	Printing	\$	240.00
Thermo King Quad Cities, Inc.	Bus Parts	\$	1,831.04
Think Graphic Design	Printed Materials	\$	2,380.00
Tom Crouch	Travel Reimbursement	\$	64.10
Town of Normal	Light the Night	\$	1,792.38
Town of Normal	Utilites	\$	763.60
TransitTalent.com	Employment Advertising	\$	95.00
Truck Centers, Inc.	Bus Parts	\$	11,518.37
United Parcel Service	Shipping	\$	90.40
United States Treasury	Federal Tax Payment	\$	64,503.27
Urban Transportation Associates, INC.	Bus Parts	\$	750.00
Verizon Wireless	Mobile Data Terminals for SS	\$	531.95
VSP Of Illinois	Vision Insurance	\$	593.94
Wayne Printing	Printing	\$	3,242.73
Weaver's Rent-All Inc.	Lease & Rental	\$	723.70
WGLT	Radio Advertising	\$	250.00
Wilcox Electric & Service, Inc	Electrical Work	\$	2,396.03
William Masters, Inc	HVAC	\$	9,147.06
Winkle Environmental Service	Solvent Tank	\$	266.25
WWHX Hits 100.7	Media Advertising	\$	2,700.00

Total Operating \$ 815,878.35

#### Capital Account

A&H Company, Inc	Bus Stop Signs Installation	\$	24,750.00
Commerce Bank	Transfer to Checking Account	\$	1,000,000.00
New Flyer Industries Canada UIC	Buses	\$	2,248,246.10
Shive-Hattery, Inc.	Architecture and Engineering	\$	11,820.00
TAPCO	Bus Stop Signs	\$	29,854.38
Traffic Supply	Bus Stop Sign Brackets	\$	8,172.00

Total Capital \$ 3,322,842.48

**Total** \$ 4,138,720.83

# Bloomington Normal Public Transit Balance Sheet

Fiscal Year: 2016    Period 3    September - 2015    Division: 99 Board Reports    As of: 09/30/2015

## Assets

### Current Assets

Checking and Savings	\$2,213,297.32
Accounts Receivable	\$5,730,829.97
Inventory Asset - Fuel	\$71,170.29
Inventory Asset - Parts	\$280,618.41
Inventory Asset - Tires	\$0.00
Other Current Assets	\$203,143.11

**Total Current Assets** \$8,499,059.10

Fixed Assets \$14,507,869.68

**Total Assets** \$23,006,928.78

## Liabilities & Equity

### Liabilities

Accounts Payable	\$243,336.54
Payroll Liabilities	\$888,003.15
Contracts	\$4,000.01
Due to Illinois Funds Account	\$2,980,249.22
Deferred Revenue	\$97,381.46
Deficit Funding Advance	\$0.00

**Total Liabilities** \$4,212,970.38

### EQUITY

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

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

Retained Earnings (\$459,986.99)

**Total Liabilities & Equity** \$23,006,928.78

# Bloomington Normal Public Transit Income Statement With Approved Budget

Fiscal Year: 2016	Period 3	Division: 98 Operating Profit/Loss		As of: 09/30/2015	
		September - 2015	Jul-2015 Thru Sep-2015 Year To Date	Approved Budget	Approved Budget
<b>Operating Revenue</b>					
Passenger Fares		\$70,273.60	\$206,088.52	24.32%	\$847,250.20
ISU Contract Fare		\$43,312.50	\$129,937.50	25.00%	\$519,750.00
Other Contract Fares		\$12,166.66	\$36,499.98	27.04%	\$135,000.00
Advertising Revenue		\$7,235.00	\$19,610.00	43.58%	\$45,000.00
Miscellaneous Revenue		\$5,700.04	\$17,893.28	27.65%	\$64,718.50
<b>Total Operating Revenue</b>		<b>\$138,687.80</b>	<b>\$410,029.28</b>	<b>25.44%</b>	<b>\$1,611,718.70</b>
<b>Operating Expenses</b>					
Operators Wages		\$377,680.25	\$1,086,284.04	22.89%	\$4,746,000.00
Maintenance Wages		\$75,092.80	\$222,055.15	22.35%	\$993,350.00
Administration Wages		\$71,620.16	\$218,677.11	21.23%	\$1,030,000.00
Employer Payroll Tax Expense		\$39,498.68	\$114,238.22	20.77%	\$550,000.00
Retirement Plan		\$16,023.84	\$48,159.23	13.76%	\$350,000.00
Group Insurance		\$80,043.56	\$241,890.36	23.86%	\$1,014,000.00
Uniform Expense		\$2,818.09	\$4,993.67	18.03%	\$27,700.00
Professional Services		\$66,625.59	\$76,428.21	60.35%	\$126,650.00
Outside Repair-Labor		\$14,483.13	\$24,906.56	22.81%	\$109,200.00
Contract Maintenance Services		\$18,280.32	\$32,476.32	23.12%	\$140,450.00
Custodial Services		\$1,477.42	\$3,551.34	30.22%	\$11,750.00
Employee Recruiting/Testing/Temp Help		\$1,769.24	\$2,183.38	9.10%	\$24,000.00
Fuel		\$76,200.72	\$253,969.99	19.84%	\$1,279,800.00
Lubricants		\$921.62	\$3,000.34	7.33%	\$40,950.00
Tires		\$6,786.78	\$23,061.02	26.21%	\$88,000.00
Bus Repair Parts		\$9,245.23	\$41,037.15	24.65%	\$166,450.00
Other Materials & Supplies		\$4,435.21	\$10,069.07	17.07%	\$59,000.00
Shelters/Signs/Shop Tools		\$4,705.15	\$5,269.53	65.87%	\$8,000.00
Computer and Office Supplies		\$11,548.22	\$19,563.43	17.01%	\$115,000.00
Utilities		\$8,081.14	\$17,929.49	14.12%	\$127,000.00
Corporate Insurance		\$17,963.66	\$53,290.98	20.58%	\$259,000.00
Dues/Subscriptions/Fees		\$623.00	\$5,958.00	15.80%	\$37,700.00
Printing/Marketing/Training		\$40,428.53	\$72,201.29	29.23%	\$247,000.00
<b>Total Operating Expenses</b>		<b>\$946,352.34</b>	<b>\$2,581,193.88</b>	<b>22.35%</b>	<b>\$11,551,000.00</b>
<b>Operating Assistance</b>					
Operating Deficit		(\$807,664.54)	(\$2,171,164.60)	21.84%	(\$9,939,281.30)
Illinois Downstate Operating Assistance		\$621,622.00	\$1,685,044.00	22.44%	\$7,508,150.00
FTA 5307 Operating Assistance		\$188,158.00	\$509,889.00	20.97%	\$2,431,131.00
<b>Total Operating Assistance</b>		<b>\$809,780.00</b>	<b>\$2,194,933.00</b>	<b>22.08%</b>	<b>\$9,939,281.00</b>

Connect Transit  
Local Capital and Self-Insurance Fund Balance  
September 2015

<b><u>Self-Insurance Fund:</u></b>	<b><u>The Illinois Funds- Cash Balance</u></b>	
09/01/15	Beginning Balance	\$ 106,873.34
09/30/15	Additions - Interest Income	\$ 4.09
09/30/15	Ending Balance	<u>\$ 106,877.43</u>

<b><u>Local Capital Reserve:</u></b>	<b><u>The Illinois Funds- Cash Balance</u></b>	
09/01/15	Beginning Balance	\$ 2,087.30
09/30/15	Additions - Interest Income	\$ 0.08
09/30/15	Ending Balance	<u>\$ 2,087.38</u>

<b><u>Local Capital</u></b>	<b><u>Commerce Bank - Cash Balance</u></b>	
09/01/15	Beginning Balance	\$ 3,804,665.58
09/09/15	Resource One Office	\$ (49,143.09)
09/09/15	Shive hattery, Inc	\$ (3,500.00)
09/14/15	Deposit- Town of Normal	\$ 34,961.25
09/18/15	CAD Construction	\$ (60,596.90)
09/18/15	Deposit- City of Bloomington	\$ 47,420.83
09/22/15	Shive hattery, Inc	\$ (11,820.00)
09/22/15	A&H Company, Inc	\$ (24,750.00)
09/22/15	Tapco	\$ (29,854.38)
09/24/15	Commerce - Operating Account	\$ (1,000,000.00)
09/28/15	Traffic Supply	\$ (8,172.00)
09/30/15	Additions - Interest Income	\$ 433.99
09/30/15	Ending Balance	<u>\$ 2,699,645.28</u>

<b><u>FTA &amp; IDOT Capital</u></b>	<b><u>The Illinois Funds- Cash Balance</u></b>	
09/01/15	Beginning Balance	\$ 43,609.07
09/30/15	Additions - Interest Income	\$ 1.67
09/30/15	Ending Balance	<u>\$ 43,610.74</u>

**Total Reserve Capital Account** \$ 2,745,343.40

**Breakdown of the Local Capital Reserve Fund- Cash Balance:**

Local Capital #1	Local Capital #2
<u>\$ 43,610.74</u>	<u>\$ 2,701,732.66</u>

**Breakdown of Local Funding in Local Capital #2 (Earmarked Funds):**

	<u>FY16 Received</u> <u>9/30/2015</u>	<u>FY16 Receivable</u> <u>9/30/2015</u>
Bloomington	\$ 142,262.49	
Normal	\$ 104,883.75	
Total YTD	<u>\$ 247,146.24</u>	<u>\$ -</u>

<b><u>Local Capital Reserve Fund Balance - Account Value</u></b>		
09/30/15	Cash Balance	\$ 2,745,343.40
09/30/15	Loans to Operating	\$ 2,980,249.22
09/30/15	Reserve fund for underground storage tank (Cap. I)	\$ (40,000.00)
09/30/15	Ending Balance	<u>\$ 5,685,592.62</u>
Local Capital #1	Local Capital #2	
\$ 3,610.74	\$ 5,681,981.88	





## MEMO

DATE: October 27, 2015  
TO: Board of Trustees  
FROM: Isaac Thorne, Chief Operating Officer  
SUBJECT: FY 2016 First Quarter Ridership Data and Trends

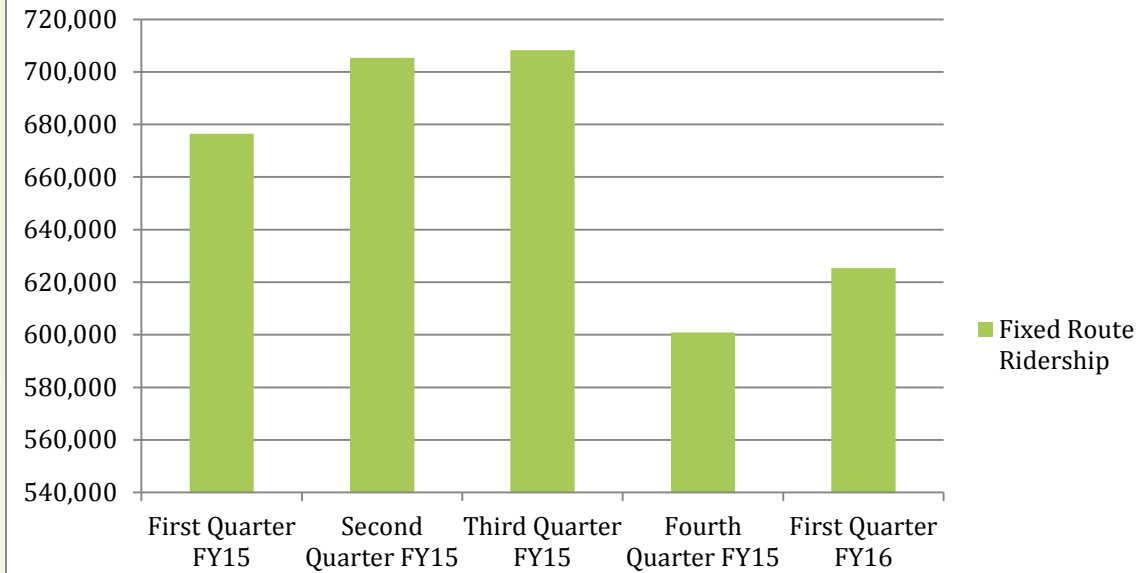
**BACKGROUND:** The first quarter ridership is down 7.6% for fixed route ridership compared to last year. The year-to-date ridership has decreased 51,126 rides.

**DISCUSSION:** Staff has looked at several possibilities for the decrease in ridership:

- On-time Performance – The first quarter of FY2016, on-time performance is down 5.1 percent over FY2015 first quarter. The on-time performance is also affected by the number of detours which we discuss below.
- Revenue hours – Connect operated slightly more revenue hours in the first quarter of FY2016 than FY2015 first quarter. Revenue hours will fluctuate each quarter based on the number of service days.
- Student Universal Access – Staff determined that student utilization decreased 8.17 percent in the first quarter of FY2016 over FY2015. The utilization of Illinois State University (ISU) students decreased 9.72 percent and Lincoln College (LC) student decreased 52.86 percent. Last year, LC had a large foreign exchange student enrollment that utilized our fixed route system in July and this did not occur this year.
- Number of monthly passes sold – Connect sold 1,668 monthly passes in first quarter of FY2016 and 1,742 in the first quarter of FY2015. The total number of times the monthly pass was utilized decreased 16.02% or 10,822 in the first quarter of FY2016.
- Gas prices – The price of a gallon of gasoline has decreased from an average of \$3.39 in first quarter of FY2014 to \$2.34 in FY2015, in Bloomington-Normal. Due to the price of gasoline sold below \$3.00 a gallon, vehicle miles traveled as reported by the Federal Highway Administration was up 4.2% or 11.4 billion miles in July 2015 and 3.9% or 9.9 billion miles in July 2014 compared to 2014. The average price per gallon of gasoline in 2013 was \$3.49, and in 2014 \$3.34.
- Detours – There have been a number of detours that have affected the fixed route system over the last quarter. The closing of Market Street Bridge has been ongoing and affects primarily the Brown F and occasionally the Lime I route. An additional 4,557 additional miles have been driven due to detours, the number of additional miles also affects on-time performance.

The table below represents the total unlinked passenger trips that Connect Transit has provided from the first quarter of fiscal year 2015 through first quarter of fiscal year 2016.

## Fixed Route Ridership





# September Fiscal Year 2016 Year-to-Date Report

## Ridership

	PRIOR YEAR	ACTUAL	GOAL	
Ridership Fixed Route	676,506	625,380	685,977	
Ridership Demand Response	18,442	17,471	20,046	
Total Ridership (year to date)	694,948	642,851	706,762	
Fixed Route Year-to-Date % Change Over Prior Year	10.50	-7.60	1.40	%
Demand Response Year-to-Date % Change Over Prior Year	19.30	-5.30	8.70	%
Fixed Route Average Daily Boardings	8,776	8,112	8,899	
Demand Response Average Daily Boardings	239	230	260	
% On-Time Performance	85.00	80.60	85.00	%
Average Boardings per Hour of Service	23.83	22.28	24.24	

## State of Good Repair

Fixed Route National Transit Database Major Mechanical System Failures	0	15		
Demand Response National Transit Database Major Mechanical System Failures	0	1		
Fixed Route Miles Between National Transit Database Major Mechanical System Failures	110,619	29,443	25,000	
Demand Response Miles Between National Transit Database Major Mechanical System Failures	34,212	33,715	24,000	
Fixed Route National Transit Database Other Mechanical System Failures (Roadcalls)	63	102		
Demand Response National Transit Database Other Mechanical System Failures (Roadcalls)	0	8		
Fixed Route Miles Between National Transit Database Other Mechanical System Failures	8,509	3,321	3,000	
Demand Response Miles Between National Transit Database Other Mechanical System Failures	34,212	18,892	8,000	
Fixed Route Miles between All National Transit Database Mechanical System Failures	59,564	16,382	14,000	
Demand Response Miles between All National Transit Database Mechanical System Failures	34,212	26,303	16,000	
Average % of Buses with Defective Automated Voice Announcements		4.54	5.00	%

## Customer Service

Average Interior Cleanliness Inspection Score (1 to 5)		3	3	
National Transit Database Safety-Related Incidents per 100,000 Miles	2.00	2.78		
National Transit Database Security-Related Incidents per 100,000 Miles	0.00	0.00		
Number of Validated Complaints each month		32		
Number of Customer Compliments Received		6		
Daily Average of Phone Calls Received for FR		394	410	
Daily Average of Phone Calls Received for DR		385	395	

## Efficiency

Revenue/Expense Ratio	14.82	14.38	13.00	%
Fixed Route Cost per Unlinked Passenger Trip	\$ 2.90	\$ 3.32	\$ 3.44	
Demand Response Cost per Unlinked Passenger Trip	\$ 26.70	\$ 29.35	\$ 28.53	
% of Preventative Maintenance Performed On-Time	90.00	96.70	90.00	%
Fixed Route Maintenance Cost Per Mile (excluding fuel)	\$ 0.85	\$ 0.91	\$ 0.97	
Demand Response Maintenance Cost Per Mile (excluding fuel)	\$ 0.67	\$ 0.67	\$ 0.77	

Meeting or exceeding goal	
Within 10% of goal	
Missing goal by more than 10%	



# September 2015 Monthly Report

## Ridership

	Prior Year	
Ridership Fixed Route	269,623	247,718
Ridership Demand Response	6,284	6,110
Total Monthly % Change Over Prior Year	14.00	-8.00 %
Fixed Route Average Daily Boardings	10,349	9,986
Demand Response Average Daily Boardings	251	244
% On-Time Performance	80.00	77.30 %
Average Boardings per Hour of Service	26.82	25.32

## State of Good Repair

Fixed Route National Transit Database Major Mechanical System Failures	7	6
Demand Response National Transit Database Major Mechanical System Failures	1	0
Fixed Route Miles Between National Transit Database Major Mechanical System Failures	16,421	16,962
Demand Response Miles Between National Transit Database Major Mechanical System Failures	34,819	33,917
Fixed Route National Transit Database Other Mechanical System Failures (Roadcalls)	13	42
Demand Response National Transit Database Other Mechanical System Failures (Roadcalls)	0	6
Fixed Route Miles Between National Transit Database Other Mechanical System Failures	4,105	2,423
Demand Response Miles Between National Transit Database Other Mechanical System Failures	34,819	5,643
Fixed Route Miles between All National Transit Database Mechanical System Failures	10,263	9,692
Demand Response Miles between All National Transit Database Mechanical System Failures	34,819	19,785
Average % of Buses with Defective Automated Voice Announcements		0.51 %

## Customer Service

Average Interior Cleanliness Inspection Score (1 to 5)		3
National Transit Database Safety-Related Incidents per 100,000 Miles	2.17	2.18
National Transit Database Security-Related Incidents per 100,000 Miles	0.00	0.73
Number of Validated Complaints each month		6
Number of Customer Compliments Received		2
Daily Average of Phone Calls Received for FR		461
Daily Average of Phone Calls Received for DR		443

## Efficiency

Revenue/Expense Ratio	14.60	13.27 %
Fixed Route Cost per Unlinked Passenger Trip	\$ 2.53	\$ 3.06
Demand Response Cost per Unlinked Passenger Trip	\$ 26.60	\$ 31.19
% of Preventative Maintenance Performed On-Time	100.00	100.00 %
Fixed Route Maintenance Cost Per Mile (excluding fuel)	\$ 0.89	\$ 0.85
Demand Response Maintenance Cost Per Mile (excluding fuel)	\$ 0.61	\$ 0.74

Statistics	FY16 YTD					FY15 YTD					% Change				
	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour		Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour		Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	
<b>Connect Transit</b>															
Green A (2 buses)	89,445	30,478	2,187	40.89		96,457	30,308	2,186	44.13		-7.3%	0.6%	0.1%	-7.3%	
Red B (2 buses)	58,483	28,903	2,246	26.04		70,740	28,602	2,243	31.53		-17.3%	0.7%	0.1%	-17.4%	
Purple C (2 buses)	46,086	26,928	2,230	20.67		48,962	26,824	2,229	21.97		-5.9%	0.4%	0.0%	-5.9%	
Pink D (1 bus)	28,974	14,062	1,054	27.49		29,439	13,791	1,053	27.95		-1.6%	2.0%	0.1%	-1.7%	
Blue E (1 bus)	23,111	16,287	1,151	20.08		22,573	16,144	1,151	19.60		2.4%	0.9%	0.0%	2.4%	
Brown F (2 buses)	36,378	34,207	2,326	15.64		37,990	31,570	2,325	16.34		-4.2%	8.4%	0.1%	-4.3%	
Yellow G (2 buses)	60,260	32,211	2,293	26.28		66,043	31,929	2,290	28.83		-8.8%	0.9%	0.1%	-8.8%	
Orange H (2 buses)	53,729	30,652	2,284	23.53		59,966	30,476	2,281	26.29		-10.4%	0.6%	0.1%	-10.5%	
Lime I (2 buses)	67,606	38,446	2,231	30.30		71,904	38,576	2,230	32.24		-6.0%	-0.3%	0.0%	-6.0%	
Teal J (1 bus)	17,525	17,655	1,042	16.81		16,432	17,644	1,041	15.78		6.7%	0.1%	0.1%	6.5%	
Aqua K (1 bus)	31,675	18,445	1,150	27.54		33,791	18,014	1,149	29.41		-6.3%	2.4%	0.1%	-6.3%	
HCC Express (1 bus)	3,156	896	141	22.36		2,901	888	137	21.16		8.8%	3.2%	2.9%	5.7%	
SU Tr Towers (2 buses)	76,537	6,810	640	119.59		86,687	6,597	620	139.82		-11.7%	3.2%	3.2%	-14.5%	
SU College Station (2 buses)	18,842	10,412	783	24.07		18,248	10,047	759	24.05		3.3%	3.6%	3.2%	0.1%	
Nite Ride (3 buses)	13,573	9,331	699	19.43		14,373	8,471	636	22.62		-5.6%	10.2%	9.9%	-14.1%	
<b>Total Fixed Route</b>	<b>625,380</b>	<b>315,623</b>	<b>22,457</b>	<b>27.85</b>		<b>676,506</b>	<b>309,861</b>	<b>22,331</b>	<b>#DV/01 30.29</b>		<b>-7.6%</b>	<b>1.9%</b>	<b>0.6%</b>	<b>-8.1%</b>	
<b>Demand Response</b>															
Connect Mobility	16,036	71,242	5,820	2.76		16,821	80,347	6,266	2.68		-4.4%	-11.3%	-7.1%	3.0%	
Connect Late Night	1,385	8,280	577	2.40		1,621	9,185	566	2.86		-14.6%	-9.9%	1.9%	-16.2%	
<b>Total Demand Response</b>	<b>17,471</b>	<b>79,522</b>	<b>6,397</b>	<b>2.73</b>		<b>18,442</b>	<b>89,532</b>	<b>6,832</b>	<b>2.70</b>		<b>-5.3%</b>	<b>-11.2%</b>	<b>-6.4%</b>	<b>1.2%</b>	
<b>SYSTEM TOTALS</b>	<b>642,851</b>	<b>395,145</b>	<b>28,854</b>	<b>22.28</b>		<b>694,948</b>	<b>399,393</b>	<b>29,163</b>	<b>23.83</b>		<b>-7.5%</b>	<b>-1.1%</b>	<b>-1.1%</b>	<b>-6.5%</b>	



Statistics	FY16 July - September 2015				FY15 July - September 2014				% Change			
	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour
<b>Connect Transit</b>												
Green A (2 buses)	89,445	30,478	2,187	40.89	96,457	30,308	2,186	44.13	-7.3%	0.6%	0.1%	-7.3%
Red B (2 buses)	58,483	28,803	2,246	26.04	70,740	28,602	2,243	31.53	-17.3%	0.7%	0.1%	-17.4%
Purple C (2 buses)	46,086	26,928	2,230	20.67	48,962	26,824	2,229	21.97	-5.9%	0.4%	0.0%	-5.9%
Pink D (1 bus)	28,974	14,062	1,054	27.49	29,439	13,791	1,053	27.95	-1.6%	2.0%	0.1%	-1.7%
Blue E (1 bus)	23,111	16,287	1,151	20.08	22,573	16,144	1,151	19.60	2.4%	0.9%	0.0%	2.4%
Brown F (2 buses)	36,378	34,207	2,326	15.64	37,990	31,570	2,325	16.34	-4.2%	8.4%	0.1%	-4.3%
Yellow G (2 buses)	60,260	32,211	2,293	26.28	66,043	31,929	2,290	28.83	-8.8%	0.9%	0.1%	-8.8%
Orange H (2 buses)	53,729	30,652	2,284	23.53	59,966	30,476	2,281	26.29	-10.4%	0.6%	0.1%	-10.5%
Lime I (2 buses)	67,606	38,446	2,231	30.30	71,904	38,576	2,230	32.24	-6.0%	-0.3%	0.0%	-6.0%
Teal J (1 bus)	17,525	17,655	1,042	16.81	16,432	17,644	1,041	15.78	6.7%	0.1%	0.1%	6.5%
Aqua K (1 bus)	31,675	18,445	1,150	27.54	33,791	18,014	1,149	29.41	-6.3%	2.4%	0.1%	-6.3%
HCC Express (1 bus) (NCWHS)	3,156	896	141	22.36	2,901	868	137	21.16	8.8%	3.2%	2.9%	5.7%
ISU Tri Towers (2 buses)	76,537	6,810	640	119.59	86,687	6,597	620	139.82	-11.7%	3.2%	3.2%	-14.5%
ISU College Station (2 buses)	18,842	10,412	783	24.07	18,248	10,047	759	24.05	3.3%	3.6%	3.2%	0.1%
Nite Ride (3 buses)	13,573	9,331	699	19.43	14,373	8,471	636	22.62	-5.6%	10.2%	9.9%	-14.1%
<b>Total Fixed Route</b>	<b>625,380</b>	<b>315,623</b>	<b>22,457</b>	<b>27.85</b>	<b>676,506</b>	<b>309,861</b>	<b>22,331</b>	<b>30.29</b>	<b>-7.6%</b>	<b>1.9%</b>	<b>0.6%</b>	<b>-8.1%</b>
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<b>Total Demand Response</b>	<b>17,471</b>	<b>79,522</b>	<b>6,397</b>	<b>2.73</b>	<b>18,442</b>	<b>89,532</b>	<b>6,832</b>	<b>2.70</b>	<b>-5.3%</b>	<b>-11.2%</b>	<b>-6.4%</b>	<b>1.2%</b>
<b>SYSTEM TOTALS</b>	<b>642,851</b>	<b>395,145</b>	<b>28,854</b>	<b>22.28</b>	<b>694,948</b>	<b>399,393</b>	<b>29,163</b>	<b>23.83</b>	<b>-7.5%</b>	<b>-1.1%</b>	<b>-1.1%</b>	<b>-6.5%</b>



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

We have audited the financial statements of the Bloomington-Normal Public Transit System as of and for the year ended June 30, 2015, and have issued our report thereon dated October 14, 2015. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

**Significant audit findings**

***Qualitative aspects of accounting practices***

*Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bloomington-Normal Public Transit System are described in Note 2 to the financial statements.

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

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

*Accounting estimates*

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

*Financial statement disclosures*

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

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

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***Disagreements with management***

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

***Management representations***

We have requested certain representations from management that are included in a management representation letter dated October 14, 2015.

***Management consultations with other independent accountants***

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

***Significant issues discussed with management prior to engagement***

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

***Significant findings or issues that were discussed, or the subject of correspondence, with management***

We have provided separate letters to you dated October 14, 2015, communicating internal control related matters identified during the audit.

***Other information in documents containing audited financial statements***

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



With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 14, 2015.

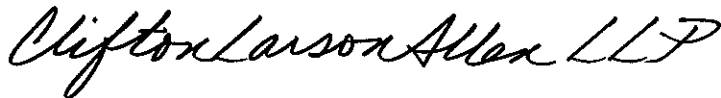
With respect to the The Schedule of Computation of Federal Operating Assistance Grant, Schedule of Revenue and Expenses under Downstate Operating Assistance Grant OP-15-07-IL, and Schedule of Computation of Amount Due Illinois State University (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 14, 2015.

The Various Statistical Data - Last Ten Fiscal Years accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

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

\* \* \*

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



CliftonLarsonAllen LLP

Champaign, Illinois  
October 14, 2015

**PASSED ADJUSTMENT SUMMARY**  
**Bloomington-Normal Public Transit System**  
**Enterprise Fund**  
**Year Ended June 30, 2015**

**Effect of misstatements on:**

Description	Assets	Liabilities	Net Position	Change in Net Position
To record CY retainage payable for construction in progress	\$ 12,610	\$ (12,610)	\$ -	\$ -
To correct FY14 revenue that was recorded in FY15			(9,353)	9,353
Depreciation expense not recorded on leased assets	(24,842)			24,842
To accrue settlements paid after year end		(57,156)		57,156
Subtotals	(12,232)	(69,766)	(9,353)	91,351
Net prior year misstatements				-
Total misstatements	\$ (12,232)	\$ (69,766)	\$ (9,353)	\$ 91,351
Financial statement totals	\$ 19,703,369	\$ (1,285,605)	\$ (18,417,764)	\$ 91,019



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

In planning and performing our audit of the financial statements of Bloomington-Normal Public Transit System (the System) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

However, during our audit we became aware of a deficiency in internal control, other than significant deficiencies and material weaknesses. Our comment and suggestion regarding this matter is summarized below. A separate communication dated October 14, 2015, contains our written communication of a significant deficiency in the System's internal control. This letter does not affect our communication dated October 14, 2015.

**Review of Journal Entries**

During our audit, we noted that the System implemented a review process for journal entries. However, we noted that there is no documentation of this review. We recommend that the review and approval is documented by the reviewer's signature.

We will review the status of this comment during our next audit engagement. We have already discussed this comment with various System personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

\* \* \*

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

**CliftonLarsonAllen LLP**

Champaign, Illinois  
October 14, 2015



**BLOOMINGTON-NORMAL  
PUBLIC TRANSIT SYSTEM**  
Normal, Illinois

**FINANCIAL STATEMENTS**  
June 30, 2015 and 2014



**CliftonLarsonAllen**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Bloomington-Normal Public Transit System, as of and for the year ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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



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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bloomington-Normal Public Transit System as of June 30, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

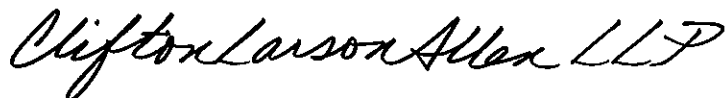
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bloomington-Normal Public Transit System's basic financial statements. The Schedule of Computation of Federal Operating Assistance Grant and Schedule of Computation of Amount Due Illinois State University, and statistical data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Revenue and Expenses Under Downstate Operating Assistance Grant OP-15-07-IL is presented for purposes of additional analysis, as required by the Illinois Department of Transportation and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Computation of Federal Operating Assistance Grant, Schedule of Revenue and Expenses under Downstate Operating Assistance Grant OP-15-07-IL, Schedule of Computation of Amount Due Illinois State University, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Various Statistical Data – Last Ten Fiscal Years has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2015, on our consideration of the Bloomington-Normal Public Transit System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bloomington-Normal Public Transit System's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Champaign, Illinois  
October 14, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### Financial Highlights – Fiscal Year 2015

- State operating assistance increased in fiscal year 2015 to \$6,721,529 from \$6,378,435 in fiscal year 2014.
- Federal operating assistance increased in fiscal year 2015 to \$2,025,608 from \$2,024,376 in fiscal year 2014.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$18,417,764 (net position).
- The System operated in fiscal year 2015 without incurring long-term debt.

### Financial Highlights – Fiscal Year 2014

- State operating assistance increased in fiscal year 2014 to \$6,378,435 from \$6,029,509 in fiscal year 2013.
- Federal operating assistance increased in fiscal year 2014 to \$2,024,376 from \$1,868,335 in fiscal year 2013.
- The assets of the System exceeded its liabilities at the close of the most recent fiscal year by \$18,508,783 (net position).
- The System operated in fiscal year 2014 without incurring long-term debt.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Overview of the Financial Statements

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

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

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

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

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

### The System as a Whole

The System's net position decreased from the prior year – decreasing from \$18.51 million to \$18.42 million. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the System.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 1**  
**Net Position**

	2015	2014	2013
Current and Other Assets	\$ 7,688,746	\$ 6,769,305	\$ 6,156,448
Capital Assets	12,014,623	12,866,086	13,485,312
Total Assets	<u>19,703,369</u>	<u>19,635,391</u>	<u>19,641,760</u>
Current and Other Liabilities	992,236	895,713	893,469
Noncurrent Liabilities	293,369	230,895	195,621
Total Liabilities	<u>1,285,605</u>	<u>1,126,608</u>	<u>1,089,090</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	12,014,623	12,391,162	13,485,312
Unrestricted	6,403,141	6,117,621	5,067,358
Total Net Position	<u>\$ 18,417,764</u>	<u>\$ 18,508,783</u>	<u>\$ 18,552,670</u>

**Fiscal Year 2015** – The System's net position remained relatively level decreasing by only .49 percent (\$18.42 million compared to \$18.51 million) during fiscal year 2015.

Capital Assets decreased by \$851,463 during fiscal year 2015 due to depreciation of capital assets.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements, increased by \$.28 million (\$6.40 million compared to \$6.12 million). This increase in unrestricted net position is due to the increase in the fund balance of the Local Capital #2 fund. This fund is accumulating local contributions from the City of Bloomington and Town of Normal to fund the local share of current and future capital projects.

**Fiscal Year 2014** - The System's net position remained relatively level decreasing by only .20 percent (\$18.51 million compared to \$18.55 million) during fiscal year 2014.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements, increased by \$1.05 million (\$6.12 million compared to \$5.07 million). This increase in unrestricted net position is due to the increase in the fund balance of the Local Capital #2 fund. This fund is accumulating local contributions from the City of Bloomington and Town of Normal to fund the local share of current and future capital projects.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 2**  
**Changes in Net Position**

	2015	2014	2013
Operating Revenues:			
Revenues from Transportation Services	\$ 1,433,468	\$ 1,371,605	\$ 1,356,584
Other Operating Revenues	119,683	16,257	16,411
Total Operating Revenues	1,553,151	1,387,862	1,372,995
Operating Expenses:			
Transportation Services	11,480,131	11,166,216	10,635,734
Operating Loss	(9,926,980)	(9,778,354)	(9,262,739)
Non-Operating Revenues:			
Operating Grants	8,747,137	8,402,811	7,897,844
Local Subsidies	986,934	928,820	901,946
Interest Income	5,023	4,133	3,026
Total Non-Operating Revenues	9,739,094	9,335,764	8,802,816
Income/(Loss) Before			
Other Revenues	(187,886)	(442,590)	(459,923)
Other Revenues:			
Capital Grants	96,867	398,703	1,299,435
Change in Net Position	(91,019)	(43,887)	839,512
Net Position, Beginning of Year	18,508,783	18,552,670	17,713,158
Net Position, End of Year	\$ 18,417,764	\$ 18,508,783	\$ 18,552,670

**Fiscal Year 2015** – The System's operating revenues increased by \$165,289 or 11.9 percent in 2015 (\$1,553,151) compared to 2014 (\$1,387,862). Operating expenses increased 2.8 percent (\$313,915).

Factors that led to the increases included:

- Increase in advertising revenue
- Began leasing Oakland Avenue property
- Increased salaries and wages expense due to the addition of new positions
- Increased employee health insurance and liability insurance rates
- Increased advertising expense
- Increased professional fee expense

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Fiscal Year 2014** – The System's operating revenues increased by \$14,867 or 1.1 percent in 2014 (\$1,387,862) compared to 2013 (\$1,372,995). Operating expenses increased 5 percent (\$530,482).

Factors that led to the increases included:

- Modifications to our Universal Access agreements and an increase in ridership
- Increased salaries and wages expense due to the addition of new positions
- Increased employee health insurance and liability insurance rates
- Increased advertising expense

### **Budgetary Highlights**

**Fiscal Year 2015** – The Board of Trustees approved the System's General Operating Fund budget for fiscal year 2015 on April 22, 2014. The Board of Trustees approved an amendment to the System's General Operating Fund budget for fiscal year 2015 on July 22, 2014. The budget included operating expenses of \$10,504,000 excluding depreciation.

- Operating revenue of \$1,553,151 was \$66,501 over budget.
- Operating expenses, less depreciation, totaled \$10,358,660 was \$145,340 under budget.

**Fiscal Year 2014** – The Board of Trustees approved the System's General Operating Fund budget for fiscal year 2014 on May 28, 2013. The budget included operating expenses of \$9,850,000 excluding depreciation.

- Operating revenue of \$1,387,862 was \$2,147 over budget.
- Operating expenses, less depreciation, totaled \$9,839,013 was \$10,987 under budget.

### **Capital Asset Administration**

At the end of fiscal year 2015, the System had \$12.0 million invested in a broad range of capital assets (see Table 3 below). This amount represents a net decrease (including additions and deductions) of \$851,463 or 6.6% percent less than last year, due to depreciation of Capital Assets.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 3**  
**Capital Assets at Year-End**

	2015	2014	2013
Land and Improvements	\$ 1,283,618	\$ 1,220,018	\$ 1,220,018
Construction in process	135,994	-	-
Facilities	8,931,759	8,521,650	8,283,132
Revenue Vehicles	10,061,730	10,035,450	10,007,920
Held for Sale	-	474,924	474,924
Other Equipment	1,052,013	943,034	824,594
Less: Accumulated Depreciation	(9,450,491)	(8,329,020)	(7,325,276)
Totals	\$ 12,014,623	\$ 12,866,056	\$ 13,485,312

This year's major additions included:

Construction in process	\$ 135,994
Building Improvement	1,665
Support Vehicles	26,250
Other Equipment	106,099
	\$ 270,008

Fiscal Year 2014 Major Additions Include:

Building Improvement	\$ 238,518
Revenue Vehicles	312,654
Support Vehicles	38,364
Other Equipment	118,440
	\$ 707,976

The System's fiscal year 2016 capital budget calls for \$7.8 million for capital expenditures.

Some of the more significant fiscal year 2016 capital projects include:

Revenue Vehicle Purchases	\$ 5,943,000
Smart Fare Collection System	1,500,000
Bus Shelters	120,000
Preventative Maintenance on Revenue Vehicles	178,000
Building Improvements	23,500
	\$ 7,764,500



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

### **Economic Factors and Next Year's Budget**

- For fiscal year 2016, operating assistance from IDOT will again be 65 percent of allowable operating expenses. Despite the Illinois budget deficit, IDOT has been making quarterly payments in a timely manner.
- The General Operating Fund budget contained a total of \$11,551,000 for operating expenses in fiscal year 2016.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
STATEMENTS OF NET POSITION  
June 30, 2015 and 2014**

**ASSETS**

	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,581,988	\$ 5,059,978
Receivables	834,623	1,264,459
Inventory	272,135	224,072
Prepaid expenses	<u>-</u>	<u>220,796</u>
Total current assets	<u>7,688,746</u>	<u>6,769,305</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land, assets held for sale, and construction in process, not being depreciated	1,419,612	1,694,942
Other property and equipment, net of depreciation	<u>10,595,011</u>	<u>11,171,144</u>
Total property and equipment	<u>12,014,623</u>	<u>12,866,086</u>
<b>TOTAL ASSETS</b>	<u>\$ 19,703,369</u>	<u>\$ 19,635,391</u>

**LIABILITIES AND NET POSITION**

<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 373,863	\$ 299,046
Accrued expenses	221,348	201,850
Unearned revenue	97,025	94,817
Compensated absences	<u>300,000</u>	<u>300,000</u>
Total current liabilities	<u>992,236</u>	<u>895,713</u>
<b>NONCURRENT LIABILITIES</b>		
Compensated absences, net of current portion	<u>293,369</u>	<u>230,895</u>
Total liabilities	<u>1,285,605</u>	<u>1,126,608</u>
<b>NET POSITION</b>		
Net investment in capital assets	12,014,623	12,391,162
Unrestricted	<u>6,403,141</u>	<u>6,117,621</u>
Total net position	<u>18,417,764</u>	<u>18,508,783</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 19,703,369</u>	<u>\$ 19,635,391</u>

The accompanying notes are an integral part of the financial statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES</b>		
Passenger fares	\$ 938,468	\$ 895,191
Contract fares	495,000	476,414
Miscellaneous income	<u>119,683</u>	<u>16,257</u>
Total operating revenues	<u>1,553,151</u>	<u>1,387,862</u>
<b>OPERATING EXPENSES</b>		
Salaries and wages	6,170,601	5,695,108
Depreciation	1,121,471	1,327,202
Fuel and lubricants	1,126,709	1,154,578
Bus repair and maintenance	572,623	596,531
Group insurance	717,808	643,651
Insurance	411,638	457,147
Payroll taxes	452,265	419,941
Retirement plan	211,207	195,183
Professional fees	108,573	83,241
Supplies	92,560	146,152
Utilities and telephone	128,635	127,004
Other operating expenses	<u>366,041</u>	<u>320,478</u>
Total operating expenses	11,480,131	11,166,216
Operating loss	<u>(9,926,980)</u>	<u>(9,778,354)</u>
<b>NON-OPERATING REVENUES</b>		
State of Illinois operating assistance grant	6,721,529	6,378,435
Federal operating assistance grant	2,025,608	2,024,376
Local subsidies	986,934	928,820
Interest income	<u>5,023</u>	<u>4,133</u>
Total non-operating revenues	<u>9,739,094</u>	<u>9,335,764</u>
Loss before other revenues	(187,886)	(442,590)
<b>OTHER REVENUES</b>		
Federal capital grants	<u>96,867</u>	<u>398,703</u>
<b>CHANGE IN NET POSITION</b>	(91,019)	(43,887)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>18,508,783</u>	<u>18,552,670</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 18,417,764</u>	<u>\$ 18,508,783</u>

The accompanying notes are an integral part of the financial statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 1,333,428	\$ 1,386,953
Payments to vendors	(3,940,509)	(4,370,763)
Payments to employees	<u>(6,088,629)</u>	<u>(5,577,000)</u>
Net cash used in operating activities	<u>(8,695,710)</u>	<u>(8,560,810)</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
State operating assistance grant proceeds received	7,214,237	7,457,672
Federal operating assistance grant proceeds received	<u>2,184,667</u>	<u>1,909,011</u>
Net cash provided by non-capital and related financing activities	<u>9,398,904</u>	<u>9,366,683</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Federal capital grant proceeds received	96,867	398,703
Local subsidies received	986,934	928,820
Purchases of property and equipment	<u>(270,008)</u>	<u>(707,976)</u>
Net cash provided by capital and related financing activities	<u>813,793</u>	<u>619,547</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<u>5,023</u>	<u>4,133</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,522,010	1,429,553
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>5,059,978</u>	<u>3,630,425</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 6,581,988</u>	<u>\$ 5,059,978</u>

The accompanying notes are an integral part of the financial statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**STATEMENTS OF CASH FLOWS (Continued)**  
**Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>RECONCILIATION OF OPERATING LOSS TO</b>		
<b>NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$ (9,926,980)	\$ (9,778,354)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,121,471	1,327,202
Effects of changes in operating assets and liabilities:		
Receivables	(221,931)	(1,877)
Inventory	(48,063)	(39,460)
Prepaid expenses	220,796	(105,839)
Accounts payable and accrued expenses	156,789	36,550
Unearned revenue	2,208	968
	1,231,270	1,217,544
Net adjustments		
	1,231,270	1,217,544
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>\$ (8,695,710)</b>	<b>\$ (8,560,810)</b>

The accompanying notes are an integral part of the financial statements.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 1 - NATURE OF THE OPERATIONS AND THE REPORTING ENTITY**

The Bloomington-Normal Public Transit System (the System) was formed as an agency of the City of Bloomington (Bloomington) and the Town of Normal (Normal) in 1972. The purpose of the System is to provide transportation services within the City of Bloomington and the Town of Normal. The System is governed by a Board of Trustees appointed by the city and town councils of Bloomington and Normal, respectively. The System operates as an enterprise fund, which accounts for operation in a manner similar to private business enterprises – where the intent of the governing body (the Board of Trustees) is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. Funding is provided primarily by annual grants from the Federal Transit Administration (FTA) (19 percent of 2015 revenues and 18 percent of 2014 revenues), the Illinois Department of Transportation (IDOT) (59 percent of 2015 revenues and 57 percent of 2014 revenues), and subsidies from Bloomington and Normal (9 percent of 2015 revenues and 8 percent of 2014 revenues).

The reporting entity of the System was determined based on the oversight responsibility and scope of the public services provided. Oversight responsibility is measured by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, there are no agencies or other units that have been or should be combined with the financial statements of the System.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the System are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments. GAAP includes all relevant GASB pronouncements plus other sources of accounting and financial reporting guidance noted in GASB Statement 55, *The Hierarchy of GAAP for State and Local Governments*.

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

Receivables are reported at the estimated net realized amounts from third-party payers and others for services rendered. Receivables are stated at the amount management expects to collect or the outstanding balance. The allowance for doubtful receivables was \$-0- at June 30, 2015 and 2014.

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

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

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Purchased capital assets are valued at actual or estimated historical cost, while donated capital assets are valued at their fair market value at the time of donation. Assets are capitalized if they are valued at more than \$10,000 and have a useful life of more than 1 year. Depreciation is calculated on all capital assets other than land, works of art, and assets that appreciate in value using the straight-line method and the following useful lives:

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

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

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

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

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

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

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

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

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

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

The System currently deposits all funds in Commerce Bank and the Illinois Funds Money Market and Prime funds. The Illinois Funds Money Market and Prime funds are external investment pools created by the Illinois General Assembly in 1975. The primary purpose is, according to Illinois Funds, "to provide custodians of public funds with an alternative investment vehicle which enables them to earn a competitive return on fully collateralized investments, while maintaining immediate access to investment funds".

**Custodial Credit Risk – Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. At June 30, 2015 and 2014, the System's \$5,333,567 and \$5,005,995 bank balance, respectively, were fully insured or collateralized.

**Interest Rate and Credit Risk – External Investment Pools**

At June 30, 2015 and 2014 the System had a total of \$1,262,488 and \$201,636, respectively, in the Illinois Funds Money Market Fund and Prime Fund. The fair value of the System's position in these portfolios is equal to the value of the System's fund shares. The portfolios are regulated by oversight of the Treasurer of the state of Illinois and private rating agencies. The portfolios have AAAM ratings from Standard and Poor's. The assets of the portfolios are mainly invested in securities issued by the United States government or agencies related to the United States. Assets of the funds not invested in United States government securities are fully collateralized by pledged securities. The time to maturity of the investments in these external investment pools averages less than one year.

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



**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE 4 - RECEIVABLES**

At June 30, 2015 and 2014, receivables were as follows:

	<u>2015</u>	<u>2014</u>
Federal Operating Assistance Grant	\$ 367,205	\$ 526,264
State of Illinois Operating Assistance Grant	218,768	711,476
Other	<u>248,650</u>	<u>26,719</u>
<b>Totals</b>	<u>\$ 834,623</u>	<u>\$ 1,264,459</u>

**Operating Assistance Grants**

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

**NOTE 5 - PROPERTY AND EQUIPMENT, NET**

The changes in property and equipment for fiscal year 2015 were as follows:

	<u>June 30,</u> <u>2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30,</u> <u>2015</u>
<b>Used in operations</b>					
Not being depreciated:					
Land	\$ 1,220,018	\$ -	\$ -	\$ 63,600	\$ 1,283,618
Construction in process	-	135,994	-	-	135,994
Being depreciated:					
Buildings and improvements	8,521,650	1,665	-	408,444	8,931,759
Vehicles	10,035,480	26,250	-	-	10,061,730
Furniture and equipment	<u>943,034</u>	<u>106,099</u>	-	<u>2,880</u>	<u>1,052,013</u>
	20,720,182	270,008	-	474,924	21,465,114
Less: accumulated depreciation	<u>(8,329,020)</u>	<u>(1,121,471)</u>	-	-	<u>(9,450,491)</u>
Total capital assets used in operations	<u>12,391,162</u>	<u>(851,463)</u>	-	<u>474,924</u>	<u>12,014,623</u>
<b>Held for sale</b>					
Land	63,600	-	-	(63,600)	-
Buildings and improvements	408,444	-	-	(408,444)	-
Furniture and equipment	<u>2,880</u>	-	-	<u>(2,880)</u>	-
Total capital assets held for sale	<u>474,924</u>	-	-	<u>(474,924)</u>	-
<b>Total capital assets</b>	<u>\$ 12,866,086</u>	<u>(851,463)</u>	\$ -	-	<u>\$ 12,014,623</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**NOTE 5 - PROPERTY AND EQUIPMENT, NET (CONTINUED)**

The changes in property and equipment for fiscal year 2014 were as follows:

	<u>June 30,</u> <u>2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30,</u> <u>2014</u>
<b>Used in operations</b>				
Not being depreciated:				
Land	\$ 1,220,018	\$ -	\$ -	\$ 1,220,018
Being depreciated:				
Buildings and improvements	8,283,132	238,518	-	8,521,650
Vehicles	10,007,920	351,018	(323,458)	10,035,480
Furniture and equipment	<u>824,594</u>	<u>118,440</u>	<u>-</u>	<u>943,034</u>
	20,335,664	707,976	(323,458)	20,720,182
Less: accumulated depreciation	<u>(7,325,276)</u>	<u>(1,327,202)</u>	<u>323,458</u>	<u>(8,329,020)</u>
Total capital assets used in operations	<u>13,010,388</u>	<u>(619,226)</u>	<u>-</u>	<u>12,391,162</u>
<b>Held for sale</b>				
Land	63,600	-	-	63,600
Buildings and improvements	408,444	-	-	408,444
Furniture and equipment	<u>2,880</u>	<u>-</u>	<u>-</u>	<u>2,880</u>
Total capital assets held for sale	<u>474,924</u>	<u>-</u>	<u>-</u>	<u>474,924</u>
<b>Total capital assets</b>	<u>\$ 13,485,312</u>	<u>\$ (619,226)</u>	<u>\$ -</u>	<u>\$12,866,086</u>

Depreciation for transit operations for the years ended June 30, 2015 and 2014 was \$1,121,471 and \$1,327,202, respectively.

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 property and equipment held for sale was deemed not to be impaired and was carried at net book value at the time of closure. During fiscal year 2015, the System began leasing this property so it is no longer considered assets held for sale, per accounting standards.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 6 - NONCURRENT LIABILITIES**

The following is a summary of changes in noncurrent liabilities for the year ended June 30, 2015:

	<u>June 30, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2015</u>	<u>Due Within One Year</u>
Accrued compensated absences	<u>\$ 530,895</u>	<u>\$ 701,085</u>	<u>\$ (638,611)</u>	<u>\$ 593,369</u>	<u>\$ 300,000</u>

The following is a summary of changes in noncurrent liabilities for the year ended June 30, 2014:

	<u>June 30, 2013</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2014</u>	<u>Due Within One Year</u>
Accrued compensated absences	<u>\$ 465,621</u>	<u>\$ 446,923</u>	<u>\$ (381,649)</u>	<u>\$ 530,895</u>	<u>\$ 300,000</u>

**NOTE 7 - DEFERRED COMPENSATION PLAN**

The System offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, administered by the ICMA Retirement Corporation. Each participant has an individual account with ICMA into which all contributions flow. The participants are offered various investment options through the Plan and are allowed to invest funds in their account at their own discretion among the options. The System may amend, modify, or terminate the Plan provided it transmits such an amendment at least 30 days prior to the effective date of the amendment. The Plan is available to all employees who have completed twelve months of service. Deferred compensation is not available to employees until termination, death, or unusual emergency. A participant may contribute the lesser of \$7,500 adjusted annually for inflation or 33.33 percent of their includible compensation. The System contributes 5 percent 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. Contributions to the Plan for the year ended June 30, 2015 totaled \$503,864, which consisted of \$292,657 contributed by the employees and \$211,207 contributed by the System. Contributions to the Plan for the year ended June 30, 2014 totaled \$447,974, which consisted of \$252,791 contributed by the employees and \$195,183 contributed by the System.

The System provides no other post-employment benefits.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2015 and 2014**

**NOTE 8 - INSURANCE COVERAGE**

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

**NOTE 9 - RELATED PARTY TRANSACTIONS**

As described in Note 1, the System receives annual subsidies from the City of Bloomington and Town of Normal to provide for the purchase of capital assets not funded by federal and state capital grants and for the Wheels to Work Program at the local YWCA. For the year ended June 30, 2015, payments received from the City of Bloomington and Town of Normal totaled \$576,514 and \$410,420 respectively. For the year ended June 30, 2014 payments received from the City of Bloomington and Town of Normal totaled \$549,636 and \$379,184, respectively.

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

In April 2013 the System entered into a commitment to lease tires for its revenue vehicles. The contract runs through March 2016 and covers the two major tire sizes utilized by the System. The lease amount is variable and is based upon the number of miles driven with fixed amounts based on tire tread wear measurements. The approximate per fiscal year cost related to this contract is estimated at \$100,000. The actual expense for fiscal years 2015 and 2014 was \$78,947 and \$65,289, respectively.

The System has entered into five contracts totaling \$346,835 during the fiscal year. The actual expense related to these contracts during the fiscal year was \$6,423. The remaining balance on these contracts is \$340,412 at June 30, 2015. These contracts were for consulting services, bus stop signs, architectural and engineering fees related to construction, and furniture.

The System entered into three contracts after June 30, 2015. The total of these contracts is \$2,514,255. These contracts are for the purchase of buses, various parts for buses and ADA paratransit eligibility services.

The System is a defendant in claims and lawsuits. The outcomes of these claims are not determinable. The resolution of these matters is not expected to have a material adverse effect on the financial condition of the System.

These notes are an integral part of the financial statements.

**SUPPLEMENTARY INFORMATION**

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM**  
**SCHEDULE OF COMPUTATION OF FEDERAL OPERATING ASSISTANCE GRANT**  
**For the Year Ended June 30, 2015**

Operating expenses, excluding depreciation	\$ 10,358,660
Less: ineligible expenses:	
APTA and IPTA dues	(3,344)
Miscellaneous revenue	(998)
YWCA passthrough	(13,500)
Advertising expenses	(71,841)
Non-federal expenses	<u>(32,449)</u>
Total eligible operating expenses	10,236,528
Less: offsets to total eligible operating expenses:	
Passenger fares	1,433,468
Interest income	(5,023)
Miscellaneous income	<u>(118,685)</u>
Federal project cost, net	11,546,288
Federal participation rate limit	50.00%
Federal participation limit	<u>\$ 5,773,144</u>
Actual federal participation:	
Federal project cost, net	\$ 11,546,288
State operating assistance	(6,721,529)
State operating assistance applied to costs ineligible for federal operating assistance	<u>(2,799,151)</u>
Calculated federal operating assistance	<u>2,025,608</u>
Maximum federal operating assistance	<u>2,025,608</u>
Actual federal operating assistance - lessor of calculated and maximum federal operating assistance	2,025,608
Payments received from FTA as of June 30, 2015	<u>1,658,403</u>
Due from FTA as of June 30, 2015	<u>\$ 367,205</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF REVENUE AND EXPENSES  
UNDER DOWNSTATE OPERATING ASSISTANCE GRANT OP-15-07-IL  
Year Ended June 30, 2015**

<b>OPERATING REVENUES AND INCOME</b>		
401	Passenger fares for transit services	804,467
402	Special transit fares	629,001
406	Auxiliary revenue	59,165
407	Non-transportation revenue	64,543
413	Federal cash grants and reimbursements: Revenue recorded in fiscal year 2015	<u>2,025,608</u>
	<b>Total operating revenue and income</b>	<u>3,582,784</u>
<b>OPERATING EXPENSES</b>		
501	Labor	6,170,601
502	Fringe benefits	929,015
503	Professional services	67,787
504	Materials and supplies consumed	2,000,842
505	Utilities	128,635
506	Casualty and liability	411,638
507	Taxes	452,265
509	Miscellaneous expense	183,936
512	Leases, rentals, and purchase-lease payments	<u>13,941</u>
	<b>Total operating expenses</b>	<u>10,358,660</u>
	Less: Ineligible expenses	
	Miscellaneous revenue	1,002
	APTA and IPTA Dues, YWCA Passthrough	<u>16,844</u>
	<b>Total ineligible expenses</b>	<u>17,846</u>
	<b>Total eligible operating expenses</b>	<u>\$ 10,340,814</u>
	<b>Total eligible operating expenses</b>	<u>\$ 10,340,814</u>
	<b>Total operating revenue and income</b>	<u>3,582,784</u>
	<b>Deficit</b>	<u>(6,758,030)</u>
	<b>65% of eligible expense</b>	<u>6,721,529</u>
	<b>Maximum contract amount</b>	<u>8,624,900</u>
	<b>Eligible Downstate Operating Assistance</b> (Deficit, 65% of eligible expense, or maximum contract amount, whichever is less)	<u>6,721,529</u>
	<b>FY15 Downstate Operating Assistance Received</b> (Through June 30, 2015)	<u>6,628,300</u>
	<b>FY15 Downstate Operating Assistance</b> Received (Subsequent to June 30, 2015)	<u>93,229</u>
	<b>FY15 Downstate Operating Assistance Under Paid</b>	<u>\$ -</u>

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF COMPUTATION OF AMOUNT DUE  
ILLINOIS STATE UNIVERSITY  
Year Ended June 30, 2015**

Universal access service agreement	\$	495,000
Balance due from (to) ISU as of July 1, 2014		-
Service payments received from ISU during fiscal year 2015		<u>(495,000)</u>
Balance due from (to) ISU as of June 30, 2015	<u>\$</u>	<u>-</u>



**UNAUDITED STATISTICAL SCHEDULE**

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
VARIOUS STATISTICAL DATA  
Last Ten Fiscal Years (Unaudited)**

<u>Year Ended June 30,</u>	<u>Number of Employees at Fiscal Year End</u>	<u>Fiscal Year Boardings</u>	<u>Fleet Miles Driven</u>
2015	114	2,728,652	1,779,424
2014	110	2,587,228	1,588,668
2013	89	2,067,074	1,583,089
2012	94	2,084,737	1,535,640
2011	93	1,824,621	1,526,011
2010	88	1,663,400	1,505,718
2009	82	1,609,098	1,415,692
2008	78	1,596,450	1,313,325
2007	75	1,441,015	1,158,311
2006	70	1,372,486	1,172,318

Note: The System is jointly controlled by the City of Bloomington and Town of Normal. Additional demographic information regarding Bloomington and Normal such as population, employment, schools, etc. may be obtained from their annual reports.

**SINGLE AUDIT SECTION**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bloomington-Normal Public Transit System (the System), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated October 14, 2015.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency (Finding 2015-001).

***Compliance and Other Matters***

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

***The System's Response to Finding***

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

***Purpose of this Report***

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



**CliftonLarsonAllen, LLP**

Champaign, Illinois  
October 14, 2015



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the Bloomington-Normal Public Transit System's (the System) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the System's major federal programs for the year ended June 30, 2015. The System's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the System's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the System's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the System complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

The System's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The System's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

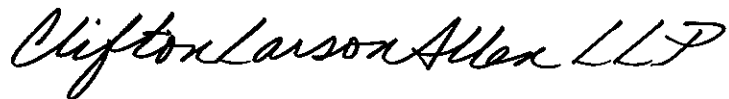
Management of the System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, that we consider to be a significant deficiency.

The System's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The System's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen, LLP**

Champaign, Illinois  
October 14, 2015



**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015**

<u>Federal Grantor/ Program Title</u>	<u>CFDA Number</u>		<u>Grant Number</u>	<u>Total Awards Expended</u>
<b>U.S. Department of Transportation -</b>				
Federal Transit Administration Direct:				
Urbanized Area Formula Grants:				
Used for Operations	20.507	*	IL-90-X684-03	\$ 584,533
	20.507	*	IL-90-X716-00	1,441,075
Used for Capital Additions	20.500	*	IL-04-0074-01	4,272
	20.507	*	IL-90-X674-02	75,595
	20.507	*	IL-90-X716-00	<u>17,000</u>
<b>TOTAL FEDERAL TRANSIT CLUSTER</b>				<b><u>\$ 2,122,475</u></b>

\* Denotes a major program

**Notes to Schedule of Expenditures of Federal Awards:**

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of the Bloomington-Normal Transit System's federal award programs presented on the accrual basis of accounting for the year ended June 30, 2015. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in the basic financial statements.

The System did not pass through any federal funding to subrecipients.

The System did not receive any federal awards in the form of non-cash assistance for insurance in effect during the year, loans, or loan guarantees during the fiscal year ended June 30, 2015.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Section I – Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?            yes   x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?   x   yes            none reported

Noncompliance material to financial statements noted?            yes   x   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?            yes   x   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?   x   yes            none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?   x   yes            no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.500 and 20.507	Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs: \$   300,000  

Auditee qualified as low-risk auditee?   x   yes            no

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Section II – Financial Statement Findings**

**FINDING NO. 2015-001 – PAYROLL RATES**

**Criteria**

Good internal control practices and federal guidelines require controls to be in place over payroll transactions to ensure costs are allowable and accurate.

**Condition**

During our testing, we noted transactions in which the wages paid to employees were not based on approved pay rates.

**Context**

We noted discrepancies in 5 of 40 transactions tested. The System underpaid 3 employees \$16, and overpaid 2 employees \$8, for a net underpayment of \$8 in the 40 transactions tested. The estimated total impact of this error on these five employees dates back to fiscal year 2012 and totals \$404 in overpayments and \$539 in underpayments, for a net underpayment of \$135.

**Cause**

This was an oversight in the Finance Department. Approved rate changes were not properly entered into the payroll software.

**Effect**

During the fiscal year, some employees were not paid according to approved pay rates.

**Recommendation**

We recommend all pay rate changes be reviewed and approved for accuracy. All pay rate changes should be documented and maintained in the employees' file.

**Corrective Action Plan (CAP):**

**Explanation of Disagreement with Audit Findings**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

We have gone through all employee files and have made adjustments to the employees that needed to be adjusted. We have also discussed the situation with the ATU local 752 and agreed to a Memorandum of Understanding in regard to the pay progression for all represented personnel. All employees will now receive all applicable pay increases based upon their respective hire dates, not full time dates. We have also created a spreadsheet that tracks all employees hire dates and pay rates so that pay rates can be easily checked. The Finance Department will now be in charge on initiating pay rate changes that are contractually agreed upon. We will verify all employees pay rates annually.

**Official Responsible for Ensuring CAP:**

The General Manager is responsible for ensuring corrective action of the deficiency.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Section II – Financial Statement Findings**

**FINDING NO. 2015-001 – PAYROLL RATES (CONTINUED)**

**Corrective Action Plan (CAP) (Continued):**

**Plan Completion Date for CAP:**

The CAP is ongoing.

**Plan to Monitor Completion of CAP:**

The General Manager will monitor this corrective action plan.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015**

**Section III – Federal Award Findings and Questioned Costs**

**FINDING NO. 2015-001 – PAYROLL RATES**

CFDA Number and Title:	20.500 and 20.507	Federal Transit Cluster
Agency:		Department of Transportation
Year:		June 30, 2015
Questioned Costs:		None

See Financial Statement Finding 2015-001.

**BLOOMINGTON-NORMAL PUBLIC TRANSIT SYSTEM  
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS  
Year Ended June 30, 2015**

**YEAR ENDED JUNE 30, 2014**

No findings reported.



**MEMO**

DATE: October 27, 2015  
 TO: Board of Trustees  
 FROM: Isaac Thorne, Chief Operating Officer  
 SUBJECT: Recommendation for Snow Removal Services IFB 15-15

**RECOMMENDATION:** That a three (3) year flat fee service agreement with Bellas Landscaping be approved and the General Manager be authorized to execute the necessary documents.

**BACKGROUND:** The amount of snow fall each year varies and there is no way to predict total cost. The total estimated cost for Bellas to remove 2 to 6 inches of snow and salt the sidewalks and walking areas would be \$295.

Having worked with Bellas before they have proven to be efficient and thorough when clearing and icing the sidewalks and walking areas. The service agreement will ensure that the sidewalks and walking areas are cleared of snow and ice to maintain the safety of the employees and customers.

**DISCUSSION:** Connect Transit received three (3) Bids for bus stop shelters from the following companies: Bellas Landscaping, F&W Lawn Care and Landscaping, and Buddy's Grounds Maintenance.

**YEAR 1**

Company	2"-6" Snow Range	6"-10" Snow Range	10" or more
Bellas	\$135	\$200	\$270
F&W	\$420	\$120	\$120
Buddy's	\$205.60	\$326.35	\$424.25

**YEAR 2**

Company	2"-6" Snow Range	6"-10" Snow Range	10" or more
Bellas	\$135	\$200	\$270
F&W	\$420	\$120	\$120



Buddy's	\$261.08	\$358.98	\$479.93
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**YEAR 3**

Company	2"-6" Snow Range	6"-10" Snow Range	10" or more
Bellas	\$135	\$200	\$270
F&W	\$440	\$140	\$140
Buddy's	\$261.08	\$358.98	\$479.93

Bellas

Emergency Service \$75.00

Salting and Deicing Flat Fee \$160.00

**FINANCIAL IMPACT:** Funds for this service will come from the FY2016 operating budget.





**MEMO**

DATE: October 27, 2015  
TO: Board of Trustees  
FROM: Isaac Thorne, Chief Operating Officer  
SUBJECT: Recommendation for Snow Plowing Services IFB 15-14

**RECOMMENDATION:** That a three (3) year flat fee service agreement with Bellas Landscaping be approved and the General Manager be authorized to execute the necessary documents.

**BACKGROUND:** The amount of snow fall each year varies and there is no way to predict total cost. The total estimated cost for Bellas to remove 2 to 6 inches of snow and salt the sidewalks and walking areas would be \$1,055.

Having worked with Bellas before we know they are efficient and thorough when clearing and icing the parking lots and paved areas. This service agreement will ensure that the parking lots and paved areas are cleared of snow and ice and maintain the safety of the employees and customers.

Connect Transit received three (3) Bids for Snow Plowing Services from the following companies: Bellas Landscaping, F&W Lawn Care and Landscaping, and Buddy's Grounds Maintenance.

**YEAR 1**

Company	2"-6" Snow Range	6"-10" Snow Range	10" or more
Bellas	\$490	\$655	\$845
F&W	\$1,605	\$350	\$250
Buddy's	\$937.48	\$1,145.81	\$1,354.14

**YEAR 2**

Company	2"-6" Snow Range	6"-10" Snow Range	10" or more
Bellas	\$490	\$655	\$845
F&W	\$1,605	\$350	\$250



Buddy's	\$1,041.65	\$1,249.98	\$1,370.72
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**YEAR 3**

Company	2"-6" Snow Range	6"-10" Snow Range	10" or more
Bellas	\$490	\$655	\$845
F&W	\$1,605	\$380	\$280
Buddy's	\$1,041.65	\$1,249.98	\$1,370.72

Bellas

Emergency Service \$115.00

Salting and Deicing Flat Fee \$565.00

**FINANCIAL IMPACT:** Funds for this service will come from the FY2016 operating budget.



## MEMO

DATE: October 27, 2015  
TO: Board of Trustees  
FROM: Mike McCurdy, Vice Chairman  
SUBJECT: Annual Performance Review and Compensation for the General Manager

**Recommendation:** That the Board approves the following to the compensation package for the General Manager:

- A 3.5% increase to the General Manager's base salary, increasing annual compensation to \$136,620, retroactive to August 8th.
- A \$7,500 one-time bonus, not added to the base salary.

**BACKGROUND:** Per provisions included in the contract of Andrew Johnson, the Connect Transit General Manager, the Trustees have completed their annual performance evaluation of the General Manager. Areas considered included the strengths, challenges, limitations, improvements and organizational goals. It is acknowledged that the General Manager brings strong administrative and operational skills to the job.

Mr. Johnson is leading a team whose work has resulted in an extraordinary year for the system, culminating in being named Outstanding Small System in North America by the American Public Transportation Association. All of the accomplishments are too numerous to list, but include.

- The successful completion (as lead agency) of a national joint procurement effort bringing new buses to systems across the nation and Connect Transit.
- The successful grant application for a DOT Ladders of Opportunity grant to pay for 8 of the new buses.
- Record ridership with a 5.5% increase over 2014.
- The completion of a Comprehensive Operational Analysis, providing guidance for the system for years to come.
- A continued focus on community outreach and customer amenities.
- National recognition as the 2015 Outstanding Public Transportation System Achievement Award from the American Public Transportation Association.



Mr. Johnson has been directed to perform in multiple areas with significant challenges that have resulted in an extraordinary year of progress, success, and challenging opportunities for Connect Transit. Connect Transit is being recognized and valued measurably more for its improved level of service through its staff, equipment, and technology advances.

Respectfully,

Mike McCurdy  
Vice-Chairman, Connect Transit Board of Trustees



## **Strategic Plan Update – October 2015**

Following the adoption of the Connect Transit Strategic Plan, staff has been directed to provide quarterly updates on progress toward the goals set in the plan. Those goals and progress to date is listed below:

### **Funding**

- General Manager and Trustees met with multiple city alderman and town council members to discuss the need for dedicated sales tax funding for public transportation.
- General Manager appeared before town and city councils to discuss the need for dedicated sales tax funding for public transportation and how Connect Transit would use the funding to increase service.

### **Expanded Services**

- Staff met with Unit 5 school district to discuss transportation partnership opportunities.
- Received 5 new 40' buses to expand current fleet and replace buses slated for retirement.
- Executed a contract with the Life Center for Independence to perform eligibility screening for Connect Mobility services. This agreement helps ensure that ADA paratransit service is provided for those who truly need it and that highly trained professionals are making the eligibility decisions.
- Implemented new pre-employment guidelines and functional testing requirements for Connect Transit employment candidates as well as new orientation and training processes for new hires.

### **Awareness and Education**

- General Manager and Planner were featured speakers at Chamber of Commerce Business Briefs breakfast, discussing current state of the transit system and the ongoing comprehensive operational analysis of service.
- Hosted press conference to announce the APTA best system award. Event was well-attended by media and elected officials.
- Public Outreach Coordinator attended the ISU International Student Orientation Day, ISU Festival, and Lincoln College Job Fair.



- Connect Transit hosted the entire Illinois public transportation community at the 2015 Illinois Public Transportation Association Annual Conference.
- Hosted press conference to announce the arrival of new buses. Senator Durbin headlined the event and cut the ribbon for the well-attended event.
- Marketing and Business Development Manager led participation in the Chamber of Commerce CommUniversity event at ISU and the Connect Transit tent won the Spirit Award.

### **Key Relationships/Partnerships**

- Connect Transit had a Federal Transit Administration Triennial Review in July. Every three years the FTA performs an in-depth review of transit system operations and compliance in 17 different areas. Connect Transit had a highly successful review, with only one minor finding in the area of maintenance.
- General Manager and Trustees performed multiple aldermen and council member bus rides to showcase public transportation in the community.
- Management and the new ATU 752 President commenced regular meetings to discuss transit system operations, issues and ideas.
- Connect Transit hosted an employee picnic at the Corn Crib to thank all employees for their service and to announce the APTA best system award.
- General Manager met with Boys and Girls Club CEO to discuss public transportation.
- Staff and Trustees attended the Chamber of Commerce Elected Officials Reception in Normal.
- General Manager joined BN Advantage Steering Committee.
- Executive Assistant is participating in the Bloomington-Normal Multicultural Leadership Program.
- Community Transportation Advisory Committee met twice during the quarter to learn about and discuss the new bus stop plan and the comprehensive operational analysis.
- Management and employees met for the DELI lunch with the General Manager.