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June 27, 2022

To: The Officials of the Bloomington Public Transportation Corporation
Bloomington Public Transportation Corporation
130 West Grimes Lane
Bloomington, IN 47403

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Bloomington Public Transportation Corporation. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Bloomington Public Transportation Corporation as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for the Bloomington Public Transportation Corporation was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE
CITY OF BLOOMINGTON, INDIANA)
Monroe County, Indiana

FINANCIAL STATEMENTS
December 31, 2021

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION

Monroe County, Indiana

FINANCIAL STATEMENTS

December 31, 2021

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BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
SCHEDULE OF OFFICIALS
December 31, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	Lewis May John Connell	01-01-21 to 09-30-21 10-01-21 to 12-31-21
Chief Financial Officer/Controller	Christa Browning	01-01-21 to 12-31-21
Chair of the Board	Nancy Obermeyer	01-01-21 to 12-31-21

INDEPENDENT AUDITOR'S REPORT

The Officials of the Bloomington Public Transportation Corporation
Monroe County, Indiana

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of the business-type activities of the Bloomington Public Transportation Corporation, a component unit of the City of Bloomington, Indiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Bloomington Public Transportation Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Bloomington Public Transportation Corporation, as of December 31, 2021, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bloomington Public Transportation Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

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

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bloomington Public Transportation Corporation's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Officials, are presented for purposes of additional analysis and /are not a required part of the basic financial statements. Such information is the responsibility of management and, except for the portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statement 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 June 24, 2022 our consideration of the Bloomington Public Transportation Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bloomington Public Transportation Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Bloomington Public Transportation Corporation's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
June 24, 2022

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

As management of the Bloomington Public Transportation Corporation (BPTC), we offer the following discussion as insight into the financial performance of BPTC for the calendar year ended December 31, 2021. To gain a fair understanding of BPTC's financial position, this discussion and analysis has been prepared by management and should be read in conjunction with the audited financial statements, and the notes to the audited financial statements.

BPTC is accounted for as an enterprise fund. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, with its related liabilities, and corresponding equity balances. An entity is classified as an enterprise fund when a fee is charged to cover the cost of an operation. BPTC accounts for its practices using the accrual basis of accounting. Full accrual accounting records revenues when earned and expenses when incurred.

BPTC's financial report includes the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows, and Notes to the Financial Statements. These are all prepared in accordance with Government Accounting Standards Board (GASB) principles. The objective of the Management's Discussion and Analysis is to assist readers in understanding the financial report.

Statement of Net Position. The Statement of Net Position presents the BPTC's financial position by reporting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of the end of the calendar year. Net position is the residual value of the BPTC's assets and deferred outflows of resources, after liabilities and deferred inflows of resources are deducted, and is one indicator of the financial condition of BPTC.

Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Revenues, Expenses, and Changes in Net Position reflect total revenues recognized and expenses incurred by BPTC during the year, along with the increase or decrease in net position. This statement illustrates BPTC's revenue streams, along with the categories of expenses supported by that revenue. Changes in net position are an indication of improvement or decline in BPTC's overall financial condition.

Statement of Cash Flows. The Statement of Cash Flows provides information on all of the cash activities of BPTC by major sources and uses during the year. This statement is useful in the assessment of BPTC's ability to generate future net cash flows, and the ability to meet obligations.

Notes to the Financial Statements. The notes are a required part of the financial statements that provide necessary information for the understanding of the BPTC's financial report.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

STATEMENT OF NET POSITION

A comparison of BPTC's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for both the 2021 and 2020 year ends is summarized as follows:

	<u>2021</u>	<u>2020</u>	<u>Variances</u>
Total assets	\$ 31,797,650	\$ 29,587,566	\$ 2,210,084
Deferred outflows of resources	647,117	448,417	198,700
Total liabilities	1,306,817	2,338,522	(1,031,705)
Deferred inflows of resources	<u>2,770,540</u>	<u>1,936,343</u>	<u>834,197</u>
 Net position	 <u>\$ 28,367,410</u>	 <u>\$ 25,761,118</u>	 <u>\$ 2,606,292</u>
 Net investment in capital assets	 \$ 17,962,870	 \$ 17,243,856	 \$ 719,014
Unrestricted net position	<u>10,404,540</u>	<u>8,517,262</u>	<u>1,887,278</u>
 Total Net Position	 <u>\$ 28,367,410</u>	 <u>\$ 25,761,118</u>	 <u>\$ 2,606,292</u>

Total assets include those that are used to support current operations and consist primarily of cash and cash equivalents, and capital assets, net of accumulated depreciation. Cash balances support commitments to strategic initiatives, capital projects, employee benefits, along with ongoing operational needs. Total assets increased \$2,210,084, or 7% in 2021 compared to 2020. The increase in 2021 is primarily attributed to reimbursements from the CARES ACT funds. The BPTC's investment in capital assets, net of depreciation, grew 4% in 2021. Additions to capital assets are comprised of renovations to buildings, as well as major investments in motor equipment. Net capital assets comprised of \$17,962,870 of the \$30,329,736 total assets for 2021.

Deferred outflows of resources represent the consumption of resources applicable to a future reporting period, but do not require a further exchange of goods or services, and will not be recognized as expenses until then. Changes in resources related to the net pension liability are reported as deferred outflows of resources (see Note 1).

Total liabilities consist of accounts payable, accrued compensation, and compensated absences. Total liabilities decreased in 2021 by \$1,031,705 or 44%. The main factor for this decrease in 2021 was primarily attributable to a decrease in net pension liability.

Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period and so will not be recognized as revenue until then. The amount recorded are related to the net pension liability (see Note 1) and unavailable property tax revenue (see Note 3).

Net Position is classified into two categories. The largest portion of net position represents BPTC's investment in capital assets such as land, buildings, improvements, and equipment net of accumulated depreciation. Unrestricted net position are resources available for ongoing operational needs and for funding ongoing obligations, as well as providing flexibility to support the BPTC's mission. The BPTC's net investment in capital assets represented 63% and 67%, in 2021 and 2020 respectively of the net position. Total net position at December 31, 2021 was \$28,367,410 an increase of \$2,606,292 from the prior year.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Revenues and expenses are classified as either operating or non-operating, in accordance with GASB principles for classification into these categories. Trends in the relationship between operating revenues and expenses are important indicators of financial condition. Generally, operating revenues are received for providing goods and services while operating expenses are those incurred to carry out the normal operations of the BPTC.

A summarized comparison of BPTC's revenues, expenses, and changes in net position is presented below:

	<u>2021</u>	<u>2020</u>	<u>Variances</u>
Operating Revenues:			
Fares/Advertising	\$ 1,047,390	\$ 1,284,630	\$ (237,240)
Charges for services	97,127	98,140	(1,013)
Other	<u>161,202</u>	<u>208,149</u>	<u>(46,947)</u>
Total operating revenues	<u>1,305,719</u>	<u>1,590,919</u>	<u>(285,200)</u>
Operating Expenses:			
Operations and maintenance	179,585	161,806	17,779
Administration and general	49,442	43,639	5,803
Depreciation	1,619,457	1,681,147	(61,690)
Salaries and wages	4,007,519	4,020,241	(12,722)
Employee pensions and benefits	1,036,938	947,691	89,247
Materials and supplies	941,597	1,041,470	(99,873)
Contractual services	728,563	937,922	(209,359)
Advertising	22,787	13,306	9,481
Utilities	79,148	69,429	9,719
Insurance expense	<u>315,622</u>	<u>302,880</u>	<u>12,742</u>
Total operating expenses	<u>8,980,658</u>	<u>9,219,531</u>	<u>(238,873)</u>
Operating loss	(7,674,939)	(7,628,612)	(46,327)
Non-operating Revenues:			
Interest and investment revenue	11,193	39,704	(28,511)
Local taxes	1,430,928	1,361,813	69,115
Operating grants	6,188,843	4,921,080	1,267,763
Loss on disposal of assets	-	(15,682)	15,682
Intergovernmental revenue	<u>797,712</u>	<u>766,640</u>	<u>31,072</u>
Total non-operating revenue	<u>8,428,676</u>	<u>7,073,555</u>	<u>1,355,121</u>
Gain (loss) before contributions	753,737	(555,057)	1,308,794
Capital Contributions	<u>1,852,555</u>	<u>510,345</u>	<u>1,342,210</u>
Change in Net Position	2,606,292	(44,712)	2,651,004
Net Position - January 1st	<u>25,761,118</u>	<u>25,805,830</u>	<u>(44,712)</u>
Net Position - December 31st	<u>\$ 28,367,410</u>	<u>\$ 25,761,118</u>	<u>\$ 2,606,292</u>

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

REVENUES

Operating revenues at BPTC for December 31, 2021 year end decreased \$285,200 over the previous year end. The changes in revenues are as follows:

- Fares/Advertising revenues were \$1,047,390 in 2021, compared to \$1,284,630 in 2020, an overall \$237,240 decrease from 2020. This represented an 18% decrease from 2020. This decrease is due to declining levels of ridership and a decrease in fares from Indiana University. BPTC continued through June of 2021 with no fares in response to the pandemic.
- Charges for services represent the employees withholding for medical insurance which for 2021 remained relative flat, at a of 1% decrease from 2020.
- Other revenue of \$161,202 decreased over the previous year by \$46,947. A decrease in insurance reimbursements caused this decrease in 2021. Other revenue includes insurance, Indiana University expense reimbursements, and miscellaneous revenues.

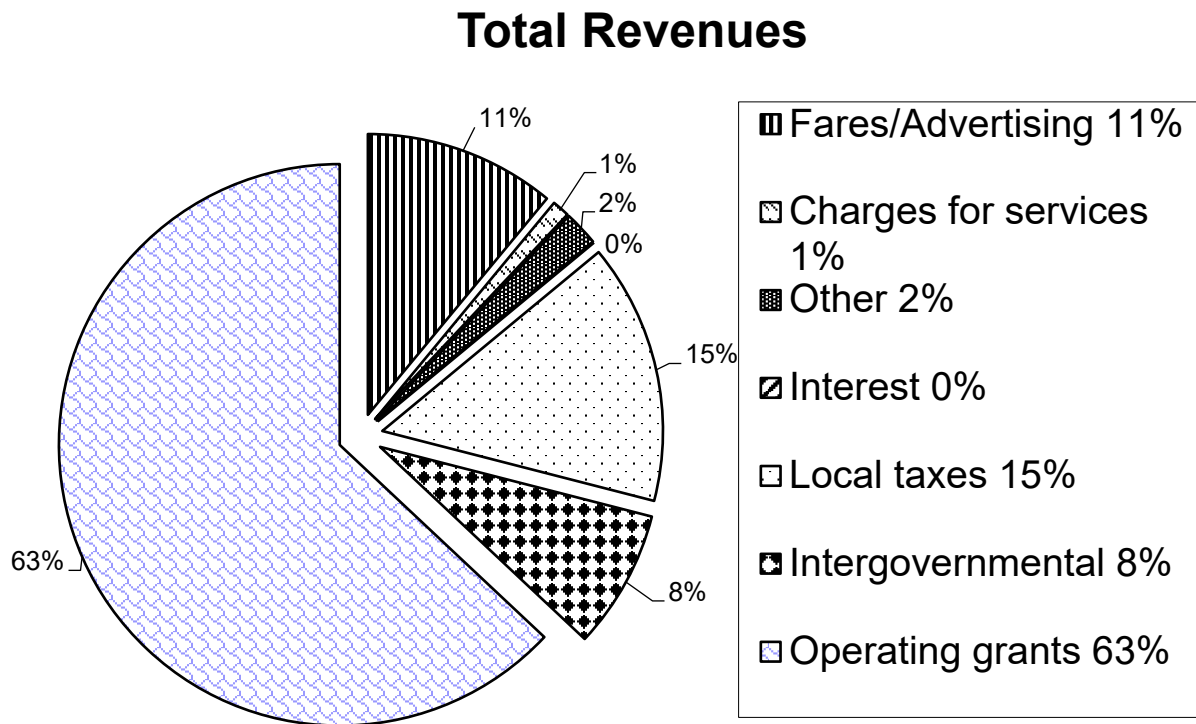
Total non-operating revenues increased by \$1,355,121 from December 31, 2020.

- Interest revenue decreased by \$28,511 or 72% from December 31, 2020, to December 31, 2021. This is the result of a decline in interest rates locally as well as worldwide in 2021.
- Local taxes increased from \$1,361,813 to \$1,430,928, or 5%.
- Intergovernmental revenues and operating grants increased from \$5,687,720 to \$6,986,555 in 2021 an increase of \$1,298,835 or 23%. This includes state funds through the Public Mass Transportation fund which for 2021 was \$2,212,843. Federal assistance is represented in this category, where in March 2020, Congress passed, and the President signed The Coronavirus Aid, Relief, and Economic Security (CARES) Act which allocated \$7,829,963 to help pay for increased cost associated with responding to the pandemic, loss of farebox revenue and ongoing operating expenses. During 2021, BPTC received \$3,976,000 of these CARES funds.

In summary, total revenue of BPTC increased by \$1,069,921, from \$8,664,474 to \$9,734,395, an overall increase of 12% in 2021 a result of increased federal operating assistance through the CARES Act.

(Continued)

The following chart represents revenues by source for 2021:



EXPENSES

Operating expenses were \$8,980,658 for 2021. This was a decrease over the previous year of \$238,873, or 3%.

Changes in the major categories of expenses are as follows:

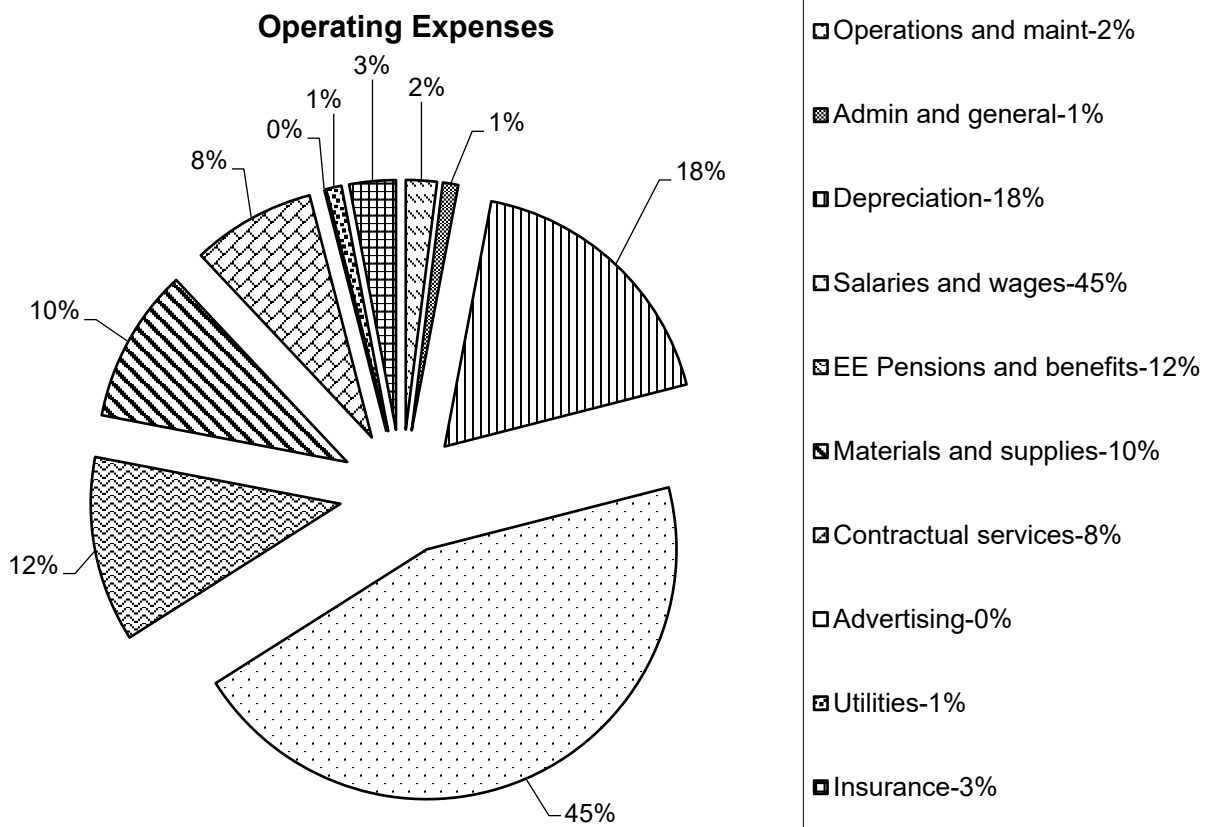
- Operations and maintenance expenses increased by \$17,779 or 11% from 2020. This change is due mostly to increase in vehicle repair cost during 2021.
- Administration and general expenses increased from \$43,639 in 2020 to \$49,442 during 2021 a result of increased administrative activities such as printing, travel, and dues.
- Depreciation expense saw a net decrease from 2020. Current depreciation expense of \$1,619,457 is \$61,690 less than prior year.
- Salaries and wages are comprised of salaried, full and part time employees. Salaries and wages represent the largest single BPTC expense, at 45% of total operating expenses. This category decreased by \$12,722 during 2021, from \$4,020,241 to \$4,007,519.
- Employee (EE) pensions and benefits increased by \$89,247, or 9% from 2020.
- Materials and supplies decreased by \$99,873, or 10%, from \$1,041,470 to \$941,597. Fuel and vehicle parts are the major contributing factors to this expense category. The driving force behind this decrease was a decline in parts purchased and usage in 2021.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2021

- Contractual services decreased by \$209,359 in 2021. This category remained flat with the exception of 2020 having the payment for installation of solar panels on the downtown transfer facility which resulted in the decrease, overall.
- Advertising expenses increased from \$13,306 in 2020 to \$22,787 in 2021. This increase was contributed to a major advertising campaign to recruit employees.
- Utilities increased by 14% from \$69,429 in 2020 to \$79,148 in 2021. This increase is attributed to the reopening of facilities during 2021 from the pandemic closure as well as increased electricity used to charge the two (2) new electric buses added to the fleet during 2021.
- Insurance expense increased in 2021 by \$12,742 or 4% from the prior year.

The composition of operating expenses is displayed below by major categories for 2021:



(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2021

STATEMENT OF CASH FLOWS

The statement of cash flows provides a means to assess the health of BPTC by providing relevant information concerning the major sources and uses of cash during the year. It assists the reader in determining whether BPTC has the ability to generate future net cash flows to meet its obligations as they come due. The statement is divided into four sections based on major activity: operating, non-capital financing, capital and related financing, and investing. A fifth section reconciles the operating income (loss) on the Statement of Revenues, Expenses, and Changes in Net Position to the net cash provided (used) in operations.

A summarized comparison of BPTC's changes in cash and cash equivalents is presented below:

	December 31, <u>2021</u>	December 31, <u>2020</u>
Net cash provided (used) by:		
Operating activities	\$ (6,518,727)	\$ (6,313,517)
Non-capital financing activities	8,206,263	6,531,453
Capital and related financing activities	(485,916)	(122,995)
Investing activities	<u>11,193</u>	<u>39,704</u>
Net increase in cash	1,212,813	134,645
Beginning cash and cash equivalents balance	<u>9,720,359</u>	<u>9,585,714</u>
Ending cash and cash equivalents balance	<u>\$ 10,933,172</u>	<u>\$ 9,720,359</u>

The BPTC's liquidity increased with an increase in cash and cash equivalents of \$1,212,813 in 2021. Net cash flows from operating activities consists primarily of fares and IU fare monies. Payments to employees represent the largest use of cash for operations. Main sources of cash provided by non-capital financing activities include local taxes, State Public Mass Transportation fund (PMTF), and Federal Section 5307 CARES operating assistance funds. These CARES funds allowed BPTC to end 2021 with a cash increase and provides additional time for the economy and fare revenue to recover. Fluctuations in capital and related financing activities reflect BPTC's decisions made relative to capital projects and improvements. Cash flows from investing activities revealed a decline in investment returns which overall are still impacted by the low interest rates world-wide.

(Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The BPTC's capital assets as of December 31, 2021 equal \$17,962,870 (net of accumulated depreciation). Capital assets include land, buildings, improvements-other than buildings, shop and office equipment, bus/passenger equipment, motor equipment, and construction work in progress. The total increase in the BPTC's capital assets for the current fiscal year was \$719,014 (see note 4).

Long-term Debt. At the end of the current year, BPTC had no bonded debt outstanding and has not issued any in the past.

HEALTH INSURANCE

BPTC administers a partially self-funded insurance program. BPTC maintains its own health insurance account for the purpose of providing employee and dependent medical benefits. The Self-Insurance program is funded with a combination of employee premiums and employer contributions. For reporting purposes, only the net medical expenses for the employee and their dependents are represented in the Employee (EE) pensions and benefits category. At the end of 2021 the health insurance fund had a balance of \$249,103.

ECONOMIC OUTLOOK

The 2022 total budget increased from \$14,505,793 in 2021 to \$15,114,394 for 2022, an overall 4.20% increase. Operating expenses are budgeted to increase from \$9,303,429 to \$9,897,173 in 2022 representing a 6.38% increase.

Looking ahead to 2022 the financial position of BPTC continues to be favorable in 2022. However, the financial implications related to the ongoing coronavirus pandemic make for an extremely unpredictable fiscal environment for BPTC's management in projecting the economic impacts on BPTC's operations. Operating under the assumption that expenses and revenues will be impaired in 2022 and possibly beyond depending on the state of the local and national economy. Bloomington Public Transportation Corporation will utilize the Indiana Department of Transportation waiver for the local match of PMTF funds during 2022 as well as Section 5307 CARES Act funds. Management will continue to monitor the state and national economic conditions and revise as needed throughout 2022 and beyond to ensure that the citizens of the City of Bloomington, Indiana are provided with dependable and efficient public transportation services.

Request for Information

This financial report is designed to provide a general overview of the BPTC's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the BPTC's Administrative Office: Bloomington Public Transportation Corporation, 130 West Grimes Lane, Bloomington, Indiana 47403.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF NET POSITION
December 31, 2021

Assets

Current assets:

Cash and cash equivalents	\$ 10,933,172
Accounts receivable	203,571
Grants receivable	838,026
Property tax receivable	1,467,914
Inventories	349,493
Prepaid assets	<u>42,604</u>
Total current assets	13,834,780

Non-current assets:

Capital assets:

Land (non-depreciable)	2,905,322
Capital assets, net of accumulated depreciation	14,834,023
Construction work in progress (non-depreciable)	<u>223,525</u>
Total non-current assets	<u>17,962,870</u>

Total assets 31,797,650

Deferred outflows of resources

Pension	<u>647,117</u>
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Total assets and deferred outflows of resources \$ 32,444,767

Liabilities

Current liabilities:

Accounts payable	\$ 84,911
Accrued payroll/withholdings payable	124,658
Compensated absence payable	<u>328,530</u>
Total current liabilities	538,099

Non-current liabilities:

Net pension liability	<u>768,718</u>
Total non-current liabilities	<u>768,718</u>

Total current and non-current liabilities 1,306,817

Deferred inflows of resources

Pension	1,302,626
Unavailable revenue – property taxes	<u>1,467,914</u>

Total liabilities and deferred inflows of resources 4,077,357

Net position

Net investment in capital assets	17,962,870
Unrestricted	<u>10,404,540</u>

Total net position 28,367,410

Total liabilities, deferred inflows of resources and net position \$ 32,444,767

See accompanying notes to financial statements.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the year ended December 31, 2021

Operating revenues:	
Fares/advertising	\$ 1,047,390
Charges for services	97,127
Other	<u>161,202</u>
Total operating revenues	1,305,719
Operating expenses:	
Operations and maintenance	179,585
Administration and general	49,442
Depreciation	1,619,457
Salaries and wages	4,007,519
Employee pension and benefits	1,036,938
Materials and supplies	941,597
Contractual services	728,563
Advertising	22,787
Utilities	79,148
Insurance expense	<u>315,622</u>
Total operating expenses	<u>8,980,658</u>
Operating loss	<u>(7,674,939)</u>
Non-operating revenues:	
Interest	11,193
Local taxes	1,430,928
Operating grants	6,188,843
Intergovernmental revenue	<u>797,712</u>
Total non-operating revenues	<u>8,428,676</u>
Gain before contributions	753,737
Capital contributions	<u>1,852,555</u>
Change in net position	2,606,292
Total net position – beginning of year	<u>25,761,118</u>
Total net position – ending of year	<u>\$ 28,367,410</u>

See accompanying notes to financial statements.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF CASH FLOWS
For the year ended December 31, 2021

Cash flows from operating activities:	
Receipts from customers and users	\$ 1,182,318
Receipts from other	97,127
Payments to suppliers and contractors	(2,664,166)
Payments to employees for benefits	<u>(5,134,006)</u>
Net cash used by operating activities	<u>(6,518,727)</u>
Cash flows from non-capital financing activities:	
Taxes	1,430,928
Intergovernmental	797,712
Operating grants	<u>5,977,623</u>
Net cash provided by non-capital financing activities	<u>8,206,263</u>
Cash flows from capital and related financing activities:	
Capital contributions	1,852,555
Acquisition and construction of capital assets	<u>(2,338,471)</u>
Net cash used by capital and related financing activities	<u>(485,916)</u>
Cash flows from investing activities:	
Interest received	<u>11,193</u>
Net cash provided by investing activities	<u>11,193</u>
Net increase in cash and cash equivalents	1,212,813
Cash and cash equivalents, January 1	<u>9,720,359</u>
Cash and cash equivalents, December 31	<u>\$ 10,933,172</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (7,674,939)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	1,619,457
(Increase) Decrease in assets and deferred outflows:	
Accounts receivable	(26,274)
Inventories	3,409
Prepaid assets	5,718
Deferred outflows of resources	(198,700)
Increase (Decrease) in liabilities and deferred inflows:	
Accounts payable	(28,502)
Accrued payroll/withholdings payable	(10,664)
Compensated absence payable	44,335
Net pension liability	(1,036,874)
Deferred inflows of resources	<u>784,307</u>
Total adjustments	<u>1,156,212</u>
Net cash used by operating activities	<u>\$ (6,518,727)</u>

See accompanying notes to financial statements.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Bloomington Public Transportation Corporation is a component unit of the City of Bloomington, Indiana. The Bloomington Public Transportation Corporation is governed by a board of directors whose members are appointed by the Mayor and City Council and provides public transportation services to the residents of the City of Bloomington, Indiana.

The accompanying financial statements present the activities of the Bloomington Public Transportation Corporation. There are no significant component units which require inclusion.

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The accounts of the BPTC are maintained as business-type activity and a proprietary enterprise fund. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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

When both restricted and unrestricted resources are available for use, the Bloomington Public Transportation Corporation's policy is to use restricted resources first, then unrestricted resources as it is needed.

Assets and Liabilities:

Deposits and Investments: The Bloomington Public Transportation Corporation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the Bloomington Public Transportation Corporation to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Accounts Receivable: Accounts receivable represents amounts due from various organizations for contracted services provided by BPTC. Management reviewed the accounts and determined that no allowance for doubtful accounts was necessary.

Inventories and Prepaid Assets: All inventories are valued at cost using the first in/first out (FIFO) method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in financial statements.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,000	Straight-line	2 to 40 years
Improvements other than buildings	1,000	Straight-line	5 to 30 years
Office equipment	1,000	Straight-line	2 to 10 years
Shop equipment	1,000	Straight-line	2 to 10 years
Bus/passenger equipment	1,000	Straight-line	2 to 10 years
Motor equipment	1,000	Straight-line	2 to 12 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Compensated Absences: Paid Time Off (PTO) – Bloomington Public Transportation Corporation full-time employees earn PTO at rates from 5 days to 25 days per year based upon the number of years of service. Full-time employees who normally work 70 hours each pay period may earn an additional 13 days of PTO each year. Part-time employees who have at least one year of service may earn up to 39 hours of PTO each year. Each employee shall be entitled to carry over 60 hours. The employee may choose to send these 60 hours to their sick bank, carry over for future years PTO, or be paid for 60 hours at the current rate. Any PTO hour balance in excess of the 60 carry over hours will be sent to the employees' sick bank. Accumulated PTO is paid to employees through cash payments upon separation at their current rate. Unused sick leave may accumulate to a maximum of 112 days. Accumulated sick leave is not paid upon separation. Employees eligible for retirement will be paid 60% of the value of the accrued sick leave at their current rate.

Bloomington Public Transportation Corporation books a liability for the outstanding balance of PTO and sick time at the end of the year based on the current rate of pay.

Deferred Outflows of Resources and Deferred Inflows of Resources and Net Pension Liability: A deferred outflow of resources is a consumption of net position by the Bloomington Public Transportation Corporation that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the Bloomington Public Transportation Corporation that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statement of Net Position but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Bloomington Public Transportation Corporation has deferred outflow and deferred inflow of resources relating to the recording of changes to its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of being recognized in the year of occurrence. Experience gains or losses result from the INPRS actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains and losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is recorded as deferred inflow of resources and amortized against pension expense over a five-year period. Additionally, any contributions made by the Bloomington Public Transportation Corporation to the pension plan before year end but subsequent to the measurement date are reported as deferred outflows of resources.

Net Position: In the financial statements, the components of net position are categorized as follows:

- Net investment in capital assets - This category is comprised of capital assets, net of accumulated depreciation.
- Unrestricted - This category represents resources of the Bloomington Public Transportation Corporation that are not subject to externally imposed restrictions and may be used to meet the ongoing obligations to the public and creditors.

Pension: For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Employees' Retirement Fund ("the plan"), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Pension investments are reported at fair value.

NOTE 2 - BUDGETS

The operating budget is initially prepared by BPTC staff and approved by the BPTC board. The fiscal officer of the BPTC then submits a proposed operating budget to the City Common Council for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the Common Council conducts a public hearing and obtains taxpayer comments. Prior to November 1, the Common Council approves the budget for the next year. The budget for funds for which property taxes are levied is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Special District in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3 - PROPERTY TAXES (Continued)

Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively. Property taxes are levied as of January 1, but not distributed until the next calendar year. As of December 31, 2021, there was a receivable and deferred inflow for the \$1,467,914 property taxes levied January 1, 2021, but that will not be received until May 2022.

NOTE 4 - DETAILED NOTES ON ALL FUNDS

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The Bloomington Public Transportation Corporation does not have a formal policy for custodial credit risk.

At December 31, 2021 the Bloomington Public Transportation only held demand deposits. The bank balance was \$11,028,740, with the difference from the book balance being outstanding checks and deposits in transit.

Capital Assets: Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 2,905,322	\$ -	\$ -	\$ 2,905,322
Construction in progress	<u>154,642</u>	<u>480,770</u>	<u>411,887</u>	<u>223,525</u>
Total capital assets, not being depreciated	<u>3,059,964</u>	<u>480,770</u>	<u>411,887</u>	<u>3,128,847</u>
Capital assets, being depreciated:				
Buildings	12,909,068	187,875	-	13,096,943
Improvements other than buildings	125,290	237,513	-	362,803
Office equipment	260,701	2,042	-	262,743
Shop equipment	149,588	-	-	149,588
Bus/passenger equipment	1,368,539	12,655	-	1,381,194
Motor equipment	<u>17,484,992</u>	<u>1,829,503</u>	-	<u>19,314,495</u>
Totals	<u>32,298,178</u>	<u>2,269,588</u>	-	<u>34,567,766</u>
Less accumulated depreciation for:				
Buildings	5,791,911	375,624	-	6,167,535
Improvements other than buildings	20,733	11,906	-	32,639
Office equipment	178,392	63,946	-	242,338
Shop equipment	129,267	13,120	-	142,387
Bus/passenger equipment	867,322	141,042	-	1,008,364
Motor equipment	<u>11,126,661</u>	<u>1,013,819</u>	-	<u>12,140,480</u>
Totals	<u>18,114,286</u>	<u>1,619,457</u>	-	<u>19,733,743</u>
Total capital assets, being depreciated, net	<u>14,183,892</u>	<u>650,131</u>	-	<u>14,834,023</u>
Total capital assets, net	<u>\$ 17,243,856</u>	<u>\$ 1,130,901</u>	<u>\$ 411,887</u>	<u>\$ 17,962,870</u>

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4 - DETAILED NOTES ON ALL FUNDS (Continued)

Construction Commitments:

Construction work in progress is composed of the following:

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2021</u>	<u>Committed</u>
Automatic Passenger Counters	\$ 228,025	\$ 223,525	\$ 4,500
Totals	<u>\$ 228,025</u>	<u>\$ 223,525</u>	<u>\$ 4,500</u>

Changes in Non-current Liabilities

Non-current liability activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Net pension liability	\$ 1,805,592	\$ 593,406	\$ 1,630,280	\$ 768,718	\$ -
Total long-term liabilities	<u>\$ 1,805,592</u>	<u>\$ 593,406</u>	<u>\$ 1,630,280</u>	<u>\$ 768,718</u>	<u>\$ -</u>

NOTE 5 - OTHER INFORMATION

Risk Management: The Bloomington Public Transportation Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Health Insurance: The Bloomington Public Transportation Corporation chose to establish a partially self-funded insurance fund associated with employee health claims beginning May of 2010. The risk is accounted for with self-insurance, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$40,000 per year. The amounts paid into the health insurance account by all covered employees and by Bloomington Public Transportation Corporation are available to pay claims, and administrative costs of the program.

	<u>2021</u>	<u>2020</u>
Balance of claim liability is as follows:		
Unpaid claims, beginning of year	\$ 19,908	\$ 1,607
Incurred claims	522,283	405,461
Claim payments	<u>533,169</u>	<u>387,160</u>
Unpaid claims, at December 31, 2021	<u>\$ 9,022</u>	<u>\$ 19,908</u>

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5 - OTHER INFORMATION (Continued)

Rate Structure: The current rate structure was approved by the Bloomington Public Transportation Corporation on November 27, 2007.

NOTE 6 - RELATED PARTY TRANSACTIONS

The Bloomington Public Transportation Corporation has entered into transactions with the City of Bloomington, Indiana who has been determined to be a related-party of the Bloomington Public Transportation Corporation. The Bloomington Public Transportation Corporation reimburses the City for certain expenses provided by the City, such as IT, legal, insurance, and utility expenses. The Bloomington Public Transportation Corporation paid the City for \$33,625 worth of such expenses in 2021. Additionally, the Corporation's Board approved paying the City \$84,921 in 2021 for the City's Recover Forward program. The program is meant to improve bus stop accessibility in the City.

NOTE 7 - PENSION PLAN

Cost Sharing Multiple-Employer Defined Benefit Pension Plan

The Bloomington Public Transportation Corporation contributes to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS).

Public Employees' Retirement System - Defined Benefit Plan

Plan Description: PERF Defined Benefit (DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to fulltime employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2. and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), a member-funded account.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report is available online at <http://www.inprs.in.gov> or may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - PENSION PLAN (Continued)

Retirement benefits provided: A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

Disability and survivor benefits provided: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month). If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joints with Two-Thirds Benefits, or Joint with One-Half Survivor Benefits.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2021, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members, with 0.44 percent funding a supplemental reserve account for postretirement benefits. No member contributions are required for the defined benefit plan. The employer contribution requirement, which was made by the Bloomington Public Transportation Corporation, was \$371,701 for 2021 which represents the required 11.2% of covered payroll for 2021. The following represents the Bloomington Public Transportation Corporation's annual required contributions for the last two years:

<u>Year Ended</u> <u>December 31</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2021	\$ 372,273	100%
2020	\$ 371,071	100%

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

- Measurement Date – June 30, 2021
- Asset valuation date – June 30, 2021
- Liability valuation date – June 30, 2020 – Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 measurement date.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%, includes inflation and net of investment expenses
- COLA – In 2021, HEA 1001-2021 granted a 1% COLA beginning January 1, 2022, and no additional postretirement benefit increases through June 30, 2023. The COLA assumption thereafter will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.65% - 8.65%
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using the SOA Scale MP-2019.

The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019 was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2021 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.

Changes in Assumptions from the Prior Year:

The following economic assumptions were adopted for the June 30, 2021 actuarial valuation:

- The investment return assumption was lowered from 6.75% (as of June 30, 2020) to 6.25%.
- Price inflation was lowered from 2.25% (as of June 30, 2020) to 2.00%.
- General wage inflation was lowered from 2.75% (as of June 30, 2020) to 2.65%.

Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to be paid from the Supplemental Reserve Account. No supplement benefits were granted for fiscal year 2023. This replaces the COLA assumption of 0.4% for Fiscal Years 2022 and 2023 but does not change the assumption for future years.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2021

NOTE 7 - PENSION PLAN (Continued)

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized below:

	Long Term Target Allocation (%)	Long Term Expected Real Rate of Return (%)
Public Equity	20.0	3.6
Private Equity	15.0	7.3
Fixed Income – Ex Inflation Linked	20.0	1.5
Fixed Income – Inflation Linked	15.0	(0.3)
Commodities	10.0	0.8
Real Estate	10.0	4.2
Absolute Return	5.0	2.5
Risk Parity	20.0	4.4
Leverage Offset	<u>(15.0)</u>	(1.4)
Total	<u>100.0</u>	

Discount rate: Total pension liability for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the nonemployee contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25 percent long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PENSION PLAN (Continued)

Sensitivity of the Bloomington Public Transportation Corporation's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Bloomington Public Transportation Corporation's share of the net pension liability calculated using the discount rate of 6.25% percent for 2021, as well as what the Bloomington Public Transportation Corporation's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%), or one percentage point higher (7.25%) than the current rate:

	1% Decrease <u>(5.25%)</u>	Current Rate <u>(6.25%)</u>	1% Increase <u>(7.25%)</u>
Proportionate share of the Collective Net Pension Liability	\$ 2,010,535	\$ 768,718	\$ (267,121)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of December 31, 2021, the Bloomington Public Transportation Corporation reported a liability of \$768,718 for their proportionate share of the net pension liability. The Bloomington Public Transportation Corporation's proportionate share of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. At June 30, 2021, the Bloomington Public Transportation Corporation's portion was .058%, which was a decrease of .0006% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Bloomington Public Transportation Corporation recognized pension income of \$78,322. At June 30, 2021, the Bloomington Public Transportation Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 26,292	\$ 15,349
Net difference between projected and actual earnings on pension plan investments	-	998,110
Changes in assumptions	386,670	172,669
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>27,717</u>	<u>116,498</u>
Total that will be recognized in pension expense (income) based on table below	440,679	1,302,626
Pension contributions subsequent to measurement date	<u>206,438</u>	<u>-</u>
Total	<u>\$ 647,117</u>	<u>\$ 1,302,626</u>

(Continued)

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 7 - PENSION PLAN (Continued)

An amount of \$206,438 reported as deferred outflows of resources related to pensions resulting from the Bloomington Public Transportation Corporation's contributions subsequent to the measurement date will be recognized as a reduction of their net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ (239,617)
2023	(220,444)
2024	(116,579)
2025	<u>(285,307)</u>
Total	<u>\$ (861,947)</u>

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law. The plan provides supplemental defined contribution benefits under the PERF Hybrid plan.

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account (see Defined Benefit Plans section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

REQUIRED SUPPLEMENTARY INFORMATION

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.058%	0.060%	0.064%	0.061%	0.060%	0.058%	0.055%	0.056%
Proportionate share of the net pension liability	\$ 768,718	\$ 1,805,592	\$ 2,116,893	\$ 2,074,576	\$ 2,662,649	\$ 2,638,198	\$ 2,249,057	\$ 1,462,183
Covered payroll	\$ 3,220,770	\$ 3,227,298	\$ 3,337,046	\$ 3,116,334	\$ 2,960,974	\$ 2,785,884	\$ 2,644,976	\$ 2,716,549
Proportionate share of the net pension liability as a percentage of covered payroll	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%

Notes: The amounts presented for each calendar year were determined as of the June 30 fiscal year-end that occurred within the calendar year.

- Asset valuation date – June 30, 2021
- Liability valuation date – June 30, 2020 – The TPL as of June 30, 2021 was determined based on an actuarial valuation prepared as of June 30, 2020 rolled forward one year to June 30, 2021, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%
- COLA – Members in pay were granted a 1.0% COLA on January 1, 2022 and no COLA on January 1, 2023. Therefore, the COLA assumption will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the BPTC is presenting information for those years for which information is available.

Measurement date: Actuarial valuation reports from the prior fiscal year.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	2016	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 372,273	\$ 371,701	\$ 368,374	\$ 370,059	\$ 334,829	\$ 322,369	\$ 301,061	\$ 300,490
Contributions in relation to the actuarially determined contributions	<u>372,273</u>	<u>371,701</u>	<u>368,374</u>	<u>370,059</u>	<u>334,829</u>	<u>322,369</u>	<u>301,061</u>	<u>300,490</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,323,866	\$ 3,318,754	\$ 3,290,659	\$ 3,304,101	\$ 2,989,564	\$ 2,878,450	\$ 2,688,039	\$ 2,682,921
Contributions as a percentage of covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the BPTC is presenting information for those years for which information is available.

- *Valuation date:* Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
- *Actuarial cost method:* Entry age normal (Level Percent of Payroll)
- *Amortization method:* Level dollar
- *Remaining amortization period:* 20 years, closed
- *Asset valuation method:* 5 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.
- *Inflation:* 2.0%
- *Salary increases:* 2.65% - 8.65%
- *Investment rate of return:* 6.25%
- *Mortality:* Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Other information:

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/18 was 9.89%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 10.03%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/20 was 7.83%. In addition, SEA 373-2018 mandated that the cost of any expected postretirement benefit increases after 6/30/2018 be broken out into separate surcharges. The surcharges used in the fiscal year ended 6/30/20 are 0.43% for 7/1/19-12/31/19 and 0.44% for 1/1/20-6/30/20. However, the INPRS Board approved a State employer contribution rate of 11.2%, which includes both the base benefit and surcharge rates. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

SUPPLEMENTARY INFORMATION

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2021

<u>Federal Grantor Agency Cluster Title/Program Title/Project Title</u>	<u>Pass-Through Entity or Direct Grant</u>	<u>Assistance Listing</u>	<u>Identifying Number</u>	<u>Awards Expended</u>	<u>Pass Through to Subrecipient</u>
<u>Department of Transportation</u>					
Federal Transit Cluster					
Federal Transit Formula Grant					
	Direct Award				
		20.507	IN--90-X723	\$ 64,682	\$ -
		20.507	IN--90-X739	50,745	-
COVID- 19- Grant – Coronavirus Act, Relief, And Economics Security Act		20.507	IN--90-X749	3,976,000	-
		20.507	IN--90-X773	<u>310,907</u>	<u>-</u>
Total - Federal Transit Formula Grant				<u>4,402,334</u>	<u>-</u>
Buses and Bus Facilities Formula, Competitive, And Low or No Emissions Programs					
	Direct Award				
		20.526	IN--34-0045	713,892	-
		20.526	IN--34-0005	<u>712,329</u>	<u>-</u>
Total - Buses and Bus Facilities Formula, Competitive, And Low or No Emissions Programs				<u>1,426,221</u>	<u>-</u>
Total - Federal Transit Cluster				<u>5,828,555</u>	<u>-</u>
Total federal awards expended – Department of Transportation				<u>\$ 5,828,555</u>	<u>\$ -</u>

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

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the Organization for the year ended December 31, 2021 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

Expenditures reported in the Schedule are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 - INDIRECT COST RATE

The Bloomington Public Transportation Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

Those Charged with Governance
Bloomington Public Transportation Corporation
Monroe County, Indiana

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 Public Transportation Corporation which comprise the business-type activities of the Bloomington Public Transportation Corporation, a component of the City of Bloomington, Indiana, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Public Transportation Corporation's basic financial statements, and have issued our report thereon dated June 24, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bloomington Public Transportation Corporation'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 Bloomington Public Transportation Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bloomington Public Transportation Corporation'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 Bloomington the Bloomington Public Transportation Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

(Continued)

Compliance and Other Matters

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
June 24, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
Bloomington Public Transportation Corporation
Monroe County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited Bloomington Public Transportation Corporation compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Bloomington Public Transportation Corporation's major federal program for the year ended December 31, 2021. The Bloomington Public Transportation Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bloomington Public Transportation Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Continued)

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Continued)

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
June 24, 2022

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2021

SECTION 1 - SUMMARY OF AUDITORS' RESULTS:

Financial statement

Type of auditor's report issued Unmodified

Internal control over financial reporting

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statement noted? _____ Yes X No

Federal Awards

Internal control over major programs

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? _____ Yes X No

Identification of major programs

<u>ALN Numbers</u> 20.507 & 20.526	<u>Name of Federal Program or Cluster</u> Federal Transit Cluster
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Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENT THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

None.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
OTHER REPORT
December 31, 2021

The reports presented herein were prepared in addition to another official report prepared for the Bloomington Public Transportation Corporation as listed below:

Indiana State Board of Accounts Compliance Examination of the Bloomington Public Transportation Corporation.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts*.

BLOOMINGTON PUBLIC TRANSPORTATION CORPORATION
EXIT CONFERENCE
January 1, 2021 to December 31, 2021

The contents of this report were discussed on June 23, 2022 with Christa Browning CFO, John Connell, General Manger, and James McLary, Board Chairman.