

CRIS RURAL MASS TRANSIT DISTRICT

Danville, Illinois

**Financial Statements  
and Supplementary Information**

For the Year Ended

June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
CRIS Rural Mass Transit District  
Danville, Illinois

### **Report on Financial Statements**

We have audited the accompanying financial statements of the CRIS Rural Mass Transit District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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.

### ***Auditor's 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 auditor's 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 respective financial position of the District as of June 30, 2021, and the changes in its financial position and its cash flows for the year 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 8, 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information in Schedule 1 is presented for purposes of additional analysis as required by the Illinois Grant Accountability and Transparency Act and is not a required part of the basic financial statements. The accompanying supplementary information in Schedules 2 through 5 is presented for purposes of additional analysis as required by the Illinois Department of Transportation and is also not a required part of the basic financial statements.

The schedules 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 statement 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2022, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.

*Martin Hood LLC*

Champaign, Illinois  
January 13, 2022

**CRIS RURAL MASS TRANSIT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2021**

As management of CRIS Rural Mass Transit District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District in the current year and financial condition at year-end.

**Business Overview**

The District employs 30 employees and is a demand response shared-ride system that provides curb-to-curb transportation to the general public in Vermilion County within the rural areas or between rural and urbanized areas.

**Fiscal Year 2021 Financial Highlights**

- The assets of the District exceeded its liabilities at June 30, 2021 by \$374,632.
- Total assets of the District at June 30, 2021 were \$1,485,537 which includes cash and cash equivalents of \$699,596, receivables of \$748,784, property and equipment of \$14,276, and prepaid expenses of \$22,881.
- The net position of the District decreased by \$16,318 from July 1, 2020 to June 30, 2021.
- The District's debt includes a capital lease for a copier and a line of credit. Outstanding borrowings on the line of credit were \$955,000 as of June 30, 2021.
- Total operating revenues for the year ended June 30, 2021 were \$209,595.
- Total non-operating revenues for the year ended June 30, 2021 were \$1,418,116
- Total operating expenses for the year ended June 30, 2021 were \$1,766,276.

**OVERVIEW OF FINANCIAL STATEMENTS**

This report includes this management's discussion and analysis, the independent auditor's report, and the basic financial statements of the District. The basic financial statements include notes that explain in more detail some of the information in the statements. These statements also contain other supplementary information in addition to the basic financial statements themselves.

CRIS Rural Mass Transit District's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), and (4) identify any material deviations from the financial plan (the approved budget). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of CRIS Rural Mass Transit District is improving or deteriorating.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on current activities, resulting changes and currently known facts, please read it in conjunction with the District's Financial Statements (accompanying documents).

Included in the accompanying financial statements are all accounts of CRIS Rural Mass Transit District. For accounting purposes, the District is an enterprise fund.

## REQUIRED FINANCIAL STATEMENTS

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer both short-term and long-term financial information about the District's overall financial status.

There are three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

The Statement of Net Position includes all of the District's assets and liabilities. This statement provides a way to measure the financial health of the District by providing the basis for evaluating the capital structure of the District and assessing the liquidity and the financial flexibility of the District.

All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and grants and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement demonstrates that there are sufficient cash flows to meet the District's obligations in a timely manner and the change in the cash balance during the reporting period. The reconciliation summarizes the reasons why cash from operating activities is different from operating income.

## FINANCIAL ANALYSIS OF THE DISTRICT

### Net Position

As previously noted, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities by \$374,632 at June 30, 2021.

As can be seen in the following Condensed Statement of Net Position, net position reflects its net investment in capital assets plus current assets, less liabilities. The District uses the capital assets to assist in providing transportation services. The capital assets themselves are not intended to be used to liquidate liabilities. Consequently, these assets are not available for future spending.

<b>Condensed Statement of Net Position</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Current assets	\$ 1,471,261	\$ 523,539
Equipment	<u>14,276</u>	<u>28,418</u>
Total assets	<u>\$ 1,485,537</u>	<u>\$ 551,957</u>
Current liabilities	<u>\$ 1,110,905</u>	<u>\$ 161,007</u>
Total liabilities	<u>\$ 1,110,905</u>	<u>\$ 161,007</u>

**FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)**

<b>Condensed Statement of Net Position (Continued)</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Net position:		
Net investment in capital assets	\$ 14,276	\$ 27,530
Unrestricted	<u>360,356</u>	<u>363,420</u>
Total net position	<u>\$ 374,632</u>	<u>\$ 390,950</u>

The following table summarizes the revenues, expenses, and changes in net position for the years ended June 30, 2021 and 2020.

<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Operating revenue	\$ 209,595	\$ 298,892
Non-operating revenue	1,439,687	1,177,580
Capital contributions	<u>122,247</u>	<u>103,721</u>
Total revenues	<u>1,771,529</u>	<u>1,580,193</u>
Depreciation expense	13,920	16,534
Other operating expense	1,752,356	1,565,349
Non-operating expense	<u>21,571</u>	<u>857</u>
Total expenses	<u>1,787,847</u>	<u>1,582,740</u>
Change in net position	(16,318)	(2,547)
Beginning net position	<u>390,950</u>	<u>393,497</u>
<b>Ending net position</b>	<b><u>\$ 374,632</u></b>	<b><u>\$ 390,950</u></b>

The following two tables further detail revenues and expenses. Total revenue increased \$191K from FY 20. Operating revenues decreased \$89k as result of COVID-19 as organizations we provided contracts to for transportation closed in person visits. Non-operating revenues and capital contributions increased \$281k due to Cares Act funding due to COVID-19. Total operating expenses in FY 21 increased by \$184k due to driver pay increases, fuel costs, consultant planning grant.

	<b><u>Fiscal Year 2021</u></b>	<b><u>% of</u></b>	<b><u>Increase</u></b>	<b><u>% of</u></b>
<b>Revenues By Source</b>	<b><u>Actual Amount</u></b>	<b><u>Total</u></b>	<b><u>(Decrease)</u></b>	<b><u>Change</u></b>
<b>Operating revenues</b>			<b><u>from 2020</u></b>	
Charges for services	<u>\$ 209,595</u>	<u>12%</u>	<u>\$ (89,297)</u>	<u>(30%)</u>

## FINANCIAL ANALYSIS OF THE DISTRICT (CONTINUED)

### Revenues By Source (Continued)

	<b>Fiscal Year 2021</b>		<b>Increase (Decrease) from 2020</b>	<b>% of Change</b>
	<b><u>Actual Amount</u></b>	<b><u>% of Total</u></b>		
<b>Nonoperating revenues</b>				
Operating assistance grants	\$ 1,422,079	80%	\$ 260,436	22%
Other grants	13,800	1%	2,755	25%
Capital Contributions	122,247	7%	18,526	18%
Miscellaneous	<u>3,808</u>	<u>0%</u>	<u>(1,084)</u>	<u>(22%)</u>
 Total nonoperating revenues	 <u>1,561,934</u>	 <u>88%</u>	 <u>280,633</u>	 <u>22%</u>
 <b>Total revenues</b>	 <u>\$ 1,771,529</u>	 <u>100%</u>	 <u>\$ 191,336</u>	 <u>12%</u>

### EXPENSES

<b>Operating expenses</b>				
Administrative	\$ 336,095	19%	\$ 8,164	2%
Operations and maintenance	1,416,261	80%	178,843	14%
Depreciation	<u>13,920</u>	<u>1%</u>	<u>(2,614)</u>	<u>16%</u>
 <b>Total operating expenses</b>	 <u>\$ 1,766,276</u>	 <u>100%</u>	 <u>\$ 184,393</u>	 <u>12%</u>

### Debt Administration

The District has a line of credit through a bank. Outstanding borrowings at June 30, 2021 were \$955,000.

### BUDGETARY HIGHLIGHTS

The District adopts an annual budget outlining the estimated revenues and expenses to be considered by the District's Board of Directors. The District's budget remains in effect the entire year and is only revised when unexpected expenses occur.

In the year ended June 30, 2021, the District's actual expenses exceeded actual revenues by \$16k. District expenses, excluding depreciation and in-kind expenses, were under budget by \$468k and revenues were under budget by \$354k.

### CAPITAL ASSETS

As of June 30, 2021, the District's investment in capital assets amounted to \$14,276 (net of accumulated depreciation). There were no capital asset purchases in fiscal year 2021.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- The number of customers as of June 30, 2021 was 976.

All of these factors were taken into consideration when preparing the District's budget.

The District approved a \$2,076,058 fiscal year 2022 operating budget. The budgeted profit is \$8,613.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: CRIS Rural Mass Transit District, Attn: Nicole Dowling, CEO

CRIS RURAL MASS TRANSIT DISTRICT  
Statement of Net Position  
June 30, 2021

ASSETS	
<b>Current Assets</b>	
Cash	\$ 699,596
Accounts and Grants Receivable	748,784
Prepaid Expenses	22,881
Total Current Assets	1,471,261
<b>Capital Assets, Net of Accumulated Depreciation</b>	14,276
Total Assets	\$ 1,485,537
LIABILITIES AND NET POSITION	
<b>Current Liabilities</b>	
Accounts Payable	\$ 69,174
Accrued Expenses	86,731
Line of Credit	955,000
Total Current Liabilities	1,110,905
<b>Net Position</b>	
Net Investment in Capital Assets	14,276
Unrestricted	360,356
Total Net Position	374,632
Total Liabilities and Net Position	\$ 1,485,537

See Accompanying Notes

CRIS RURAL MASS TRANSIT DISTRICT  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2021

<b>Operating Revenue</b>	
Charges for Services	<u>\$ 209,595</u>
<b>Operating Expenses</b>	
Administrative	336,095
Operations and Maintenance	1,416,039
Depreciation and Amortization	13,920
Loss on Disposal of Capital Assets	222
Total Operating Expenses	<u>1,766,276</u>
<b>Operating Loss</b>	<u>(1,556,681)</u>
<b>Non-Operating Revenue (Expenses)</b>	
Government Grants and Assistance	
State Operating Assistance	707,686
Federal Operating Assistance	728,193
Interest Expense	(21,571)
Miscellaneous Revenue	3,808
Total Non-Operating Revenue (Expenses)	<u>1,418,116</u>
<b>Loss Before Capital Contributions</b>	(138,565)
<b>Capital Contributions</b>	
In-kind Use of Vehicles	<u>122,247</u>
<b>Net Decrease in Net Position</b>	(16,318)
<b>Net Position, Beginning of Year</b>	<u>390,950</u>
<b>Net Position, End of Year</b>	<u><u>\$ 374,632</u></u>

See Accompanying Notes

CRIS RURAL MASS TRANSIT DISTRICT  
Statement of Cash Flows  
For the Year Ended June 30, 2021

<b>Cash Flows From Operating Activities</b>	
Cash Received from Customers	\$ 182,933
Cash Paid to Vendors	(584,115)
Cash Paid to Employees and Benefits	(993,293)
Net Cash Used in Operating Activities	<u>(1,394,475)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>	
Federal and State Grants	1,187,122
Draws on Line of Credit	945,000
Payments on Line of Credit	(50,000)
Interest Payments on Line of Credit	(21,571)
Net Cash Provided by Non-Capital Financing Activities	<u>2,060,551</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Payments on Capital Lease	<u>(888)</u>
<b>Cash Flows From Investing Activities</b>	
Interest Received	<u>58</u>
<b>Net Increase in Cash</b>	665,246
<b>Cash, Beginning of Year</b>	<u>34,350</u>
<b>Cash, End of Year</b>	<u>\$ 699,596</u>
<b>Reconciliation of Operating Loss to</b>	
<b>Net Cash Used in Operating Activities</b>	
Operating Loss	<u>\$ (1,556,681)</u>
Adjustments to Reconcile Operating Loss to	
Net Cash Used in Operating Activities:	
Depreciation and Amortization	13,920
Loss on Disposal of Capital Assets	222
In-kind Use of Vehicles	122,247
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivables	(26,662)
Prepaid Expenses	(3,307)
Accounts Payable	38,993
Accrued Expenses	16,793
Net Adjustments	<u>162,206</u>
Net Cash Used in Operating Activities	<u>\$ (1,394,475)</u>

See Accompanying Notes

CRIS RURAL MASS TRANSIT DISTRICT  
Notes to Basic Financial Statements  
June 30, 2021

**1. Nature of Operations and the Reporting Entity**

The CRIS Rural Mass Transit District's (the District) principal line of business is transportation services for residential customers in Vermilion County. The District uses transportation vehicles owned by the Illinois Department of Transportation (IDOT) and Vermilion County. The County contracts with the District to provide the transportation services. The primary revenue source of the District is grant funding through IDOT and user charges. The accounting policies of the District conform to generally accepted accounting principles as applicable to governments.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. The District is not aware of any organization for which the District is financially accountable. The District is also not aware of any entity which would be financially accountable for the District to the extent that the District would be considered a component unit of the entity.

**2. Summary of Significant Accounting Policies**

- a. The financial statements of the District 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 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.
- b. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

The District operates as an enterprise fund. Enterprise funds are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting in accordance with GAAP. Revenues are recognized when they are earned, and expenses are recorded at the time liabilities are incurred.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with its principal ongoing operations. Operating expenses include the costs of providing the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition are reported as nonoperating revenues and expenses.

- c. The District receives support from various state, federal, and local agencies in the form of grants, contributions, and fees for service arrangements. The related receivable amounts are not collateralized or secured. At June 30, 2021, the District has recorded no allowance against the receivables as management expects all amounts to be fully collectible.
- d. Capital assets are recorded at cost, net of accumulated depreciation. The cost of contributed capital assets for which the District has title is the acquisition value at the date of the contribution. Depreciation has been provided on a straight-line basis over the expected useful lives of the capital assets, which range from 3 to 7 years. The District uses a capitalization threshold of \$5,000. The District also records in-kind revenue and equivalent expense for the free use of capital assets owned by other governments.
- e. The District reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.
- f. In accordance with the generally accepted accounting principles, no liability is recorded for non-vesting rights to receive personal leave benefits. An accrued compensated absences liability for vacation leave is recorded as the employee's right to vacation leave accumulates. Unused vacation leave does not expire but is limited on an annual basis by the District's Board of Directors. The District considers the liability for accrued compensated absences, which is included in accrued expenses on the statement of net position, to be entirely a current liability.
- g. The District's net position is classified as follows:
  - Net Investment in Capital Assets – This represents the District's capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent funds related to that debt at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
  - Restricted Net Position – This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties or enabling legislation.

- Unrestricted Net Position – This includes resources that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first then unrestricted resources as they are needed.

- h. Charges for services are recognized as revenue based on the transportation services provided. Income from funding sources is recognized as grant revenue over the period of the grant and as the grant is earned. Any grant funding received in advance is deferred until it is earned.
- i. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The most sensitive estimates affecting the financial statements were:
  1. The allowance for uncollectible receivables
  2. The useful lives of capital assets, including those in the calculation of the in-kind use of vehicles where sole title is not held by the District
  3. The amount of expense eligible for reimbursement under the District’s state and federal operating grants.

**3. Custodial Credit Risk – Bank Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a formal investment policy. At June 30, 2021, \$250,906 of the District’s bank deposits of \$737,709, which reconciles the statement of net position cash value of \$699,596, was insured fully by federal deposit insurance and \$486,803 was uninsured and uncollateralized.

**4. Accounts and Grants Receivable**

Accounts and Grants Receivable as of June 30, 2021 were as follows:

IDOT Operating Grant	
Fiscal Year 2021	\$ 295,021
Prior Fiscal Years	82,978
IDOT CARES Act Grant	169,823
IDOT Planning Grant	73,388
IDOT Capital Grant	39,094
Danville Mass Transit	36,039
Medicare	19,919
Other	32,522
Total	<u><u>\$ 748,784</u></u>

## 5. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	June 30, 2020	Additions	Deletions	June 30, 2021
Office Equipment	\$ 201,264	\$ -	\$ (10,426)	\$ 190,838
Accumulated Depreciation	(172,846)	(13,920)	10,204	(176,562)
Total	<u>\$ 28,418</u>	<u>\$ (13,920)</u>	<u>\$ (222)</u>	<u>\$ 14,276</u>

## 6. Accrued Expenses

As of June 30, 2021, the District had accrued expenses consisting of the following:

Payroll	\$ 46,830
Payroll Tax and Other Payroll Related	3,128
Accrued Compensated Absences	36,773
Total	<u>\$ 86,731</u>

## 7. Changes in Long Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	June 30, 2020	Additions	Deletions	June 30, 2021	Due Within One Year
Capital Lease	\$ 888	\$ -	\$ 888	\$ -	\$ -
Accrued Compensated Absences	28,551	77,665	69,443	36,773	36,773
Total	<u>\$ 29,439</u>	<u>\$ 77,665</u>	<u>\$ 70,331</u>	<u>\$ 36,773</u>	<u>\$ 36,773</u>

## 8. Lines of Credit

The District maintained a revolving line of credit agreement with a bank on which it could borrow up to \$750,000. The agreement ran through August 1, 2021. Advances on the line of credit bore interest at the U.S. Prime Rate as reported in the Wall Street Journal plus .75 percent, with a minimum rate of 4.00 percent. The interest rate at June 30, 2021 was 4.00 percent.

The District maintained an additional revolving line of credit agreement with the same bank on which it could borrow up to \$250,000. The agreement ran through August 1, 2021. Advances on the line of credit bore interest at the U.S. Prime Rate as reported in the Wall Street Journal plus .75 percent, with a minimum rate of 4.00 percent. The interest rate at June 30, 2021 was 4.00 percent.

Each line of credit was secured by substantially all the District's assets. Each of the following constituted an event of default under these agreements: payment default, failure to comply

with or to perform any other term contained in the agreement, default in favor of third parties, false statements, defective collateralization, insolvency, creditor or forfeiture proceedings, events affecting guarantor, adverse change, and insecurity. If an event of default occurred under these agreements, the lender could exercise any one or more of the following rights and remedies: accelerate indebtedness, assemble collateral, sell the collateral, mortgagee in possession, collect revenues and apply accounts, obtain deficiency, other rights and remedies available at law, in equity, or otherwise, and election of remedies. There were no other termination or acceleration clauses. The agreements included a borrowing base and various covenants. The District was in compliance with all covenants as of June 30, 2021. The total outstanding on these lines of credit was \$955,000 at June 30, 2021.

On July 28, 2021, the District entered into a revolving line of credit agreement with the same bank to combine the two previous line of credit agreements. Under this agreement, the District may borrow up to \$1,000,000. Advances on the line of credit bear interest at the U.S. Prime Rate as reported in the Wall Street Journal plus .75 percent, with a minimum rate of 4.00 percent. The line is secured by substantially all the District's assets.

## **9. In-kind Use of Vehicles**

In providing its transportation services, the District uses vehicles owned by other governmental agencies. There are no restrictions placed on the use of these vehicles by these agencies. At the end of a vehicle's useful life as set by the Illinois Department of Transportation (IDOT), the District may apply to transfer the vehicle's title to the District. The District has not capitalized any vehicles as of June 30, 2021 as sole title is not held on any of the vehicles included in the District's active and reserve fleets. On the statement of revenues, expenses, and changes in net position, the District has recorded an in-kind revenue and corresponding operations and maintenance expense of \$122,247, relating to the District's use of the vehicles during the year ended June 30, 2021. The revenue and expense amounts equal the annual depreciation on the vehicles based on a 10-year useful life using the straight-line basis of depreciation.

## **10. Retirement Plan**

The District sponsors a Simple IRA Retirement Plan, which is a defined contribution retirement plan. The plan is available to all fulltime employees, and certain part-time employees, after one year of full-time employment, with annual enrollment as of October 1. Part-time employees earning at least \$5,000 are eligible to participate in the program. The District matches employee contributions up to three percent of an employee's annual earnings. Employees are vested immediately in all employer contributions. The District's Board of Directors sets, and may amend, the benefit terms. The District's expense related to the plan for the year ended June 30, 2021 was \$10,774. At June 30, 2021, the District had excess contributions of \$1,133 to the plan, which is included as a reduction to accrued expenses on the statement of net position.

**11. Risk of Loss**

Significant losses are covered by commercial insurance for property, liability, and workers' compensation. During the year ended June 30, 2021, there were no significant reductions in coverage. There have been no settlement amounts that have exceeded insurance coverage or that have not been covered by insurance in the past three years.

**12. Lease Commitments**

*Capital Lease*

The District was obligated under a capital lease agreement entered into on February 9, 2016 for the purchase of a copier. The term of the agreement was 60 months with monthly lease payments of \$111 and no stated interest. The original cost of the copier was \$6,600 and the District made its final payments under the lease in February 2021.

*Operating Leases*

The District leases its office and garage space under an operating lease, which requires monthly lease payments. The initial term of this lease expired on March 31, 2019. The lease agreement contains three options for the District to extend the lease for one year each. In the current year, the third extension was requested and accepted to extend the agreement until March 31, 2022.

The District leases a postage meter under an operating lease, which requires quarterly lease payments through the expiration of the lease on December 20, 2025.

The District leases a copier under an operating lease, which requires monthly lease and maintenance payments through the expiration of the lease on November 19, 2025.

The future annual minimum lease payments under these operating leases are as follows:

Fiscal Years Ending June 30,	
2022	\$ 51,786
2023	2,585
2024	2,585
2025	2,585
2026	1,000
Total	<u>\$ 60,541</u>

Total rent expense for the year ended June 30, 2021 was \$66,725.

**13. Other Commitments**

On October 13, 2020, the District entered into an agreement for a facility feasibility study with a total commitment of \$118,686. The commitment is funded through a grant from

IDOT. As of June 30, 2021, the remaining commitment to be paid in fiscal year 2022 is \$45,298.

#### **14. Concentrations of Revenues and Receivables**

For the year ended June 30, 2021, the District had the following concentration of revenues:

- Approximately 80 percent, or \$1,422,079, of the District's revenue was earned from federal and state grants administrated through IDOT.

At June 30, 2021, the District had the following concentration of receivables:

- Approximately 44 percent, or \$660,304, of the District's assets total was from receivables due from IDOT.

#### **15. Grant Contingencies**

Revenues under various state and federal grants have been recognized based on allowable costs incurred on those agreements by the District, as identified by the District's management. Uncertainties inherent in this process and uncertainties relating to the future review and approval of allowable costs by state and federal agencies makes it at least reasonably possible that grant revenues recognized are subject to retroactive change subsequent to June 30, 2021.

#### **16. Uncertainty**

Beginning in March 2020, local, U.S. and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and the size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the District as of the date of the independent auditor's report, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

#### **17. Upcoming Government Accounting Standard**

In June 2017, GASB issued GASB Statement 87 (GASB 87), *Leases*. The provisions of GASB 87 require that certain lessees recognize a lease liability and asset for all leases greater than 12 months. GASB 87 is effective for the District's fiscal year 2022. Early adoption is permitted; however, the District has not chosen to do so. The District's management is currently evaluating the impact, if any, the updated standard will have on its financial statements.

CRIS RURAL MASS TRANSIT DISTRICT  
 Illinois Grant Accountability and Transparency - Consolidated Year-End Financial Report  
 For the Year Ended June 30, 2021

CSFA Number	Program Name	State Funding	Federal Funding	Other Funding	Total
444-80-1216	Title XX DFI Senior Services	\$ -	\$ 13,799	\$ 4,600	\$ 18,399
494-80-2410	CARES - Transit Formula Grants for Rural Areas	-	342,833	-	342,833
494-80-0338	Transit 5311 Formula Grants for Rural Areas	-	143,028	-	143,028
494-80-1141	Transit Downstate Operating Assistance Program	693,008	-	225,393	918,401
494-80-1284	Transit Downstate Transit Improvement	14,678	58,710	-	73,388
	Other Grant Programs and Activities	-	-	-	-
	All Other Costs Not Allocated	-	-	121,975	121,975
Total		<u>\$ 707,686</u>	<u>\$ 558,370</u>	<u>\$ 351,968</u>	<u>\$ 1,618,024</u>

**Reconciliation of Audited Expenses to GATA CYEFR Expenses**

Audited Operating Expenses	\$ 1,766,276
Plus: Interest Expense	21,571
Less: May and June 2021 CARES Expenses Reported in July 2021	<u>(169,823)</u>
GATA CYEFR Expenses	<u>\$ 1,618,024</u>

**Reconciliation of Federal Operating Assistance**

Audited Federal Operating Assistance	\$ 728,193
Less: May and June 2021 CARES Expenses Reported in July 2021	<u>(169,823)</u>
Included in GATA CYEFR Federal Funding	<u>\$ 558,370</u>

Vermilion County  
 CRIS RURAL MASS TRANSIT DISTRICT  
 Section 5311 Annual Financial Report  
 Operating Period July 1, 2020 to June 30, 2021  
 Contract Number 5319

Revenue

Line Item	Description	Total
401	Passenger Fares/ Donations	\$ 264
402	Special Transit Fares	229,866
405	Charter Service	
406	Auxiliary Transportation	
407	Non-Transportation Revenue	
440	Subsidy From Other Sources	
	Total Revenue	\$230,130
	Less: Non- 5311 Operating Revenues	\$0
	Section 5311 Operating Revenue	\$230,130

Expenses

Line Item	Eligible Expenses	Actual Administrative Expenses	Actual Operating Expenses	Total
501	Labor	\$290,602	\$278,453	\$569,055
502	Fringe Benefits	\$36,750	\$29,875	\$66,625
503	Services	\$68,218	\$21,988	\$90,206
504.01	Fuel and Oil		\$47,373	\$47,373
504.02	Tires and Tubes		\$5,490	\$5,490
504.99	Other Materials	\$5,920	\$2,041	\$7,961
505	Utilities	\$31,858		\$31,858
506	Casualty and Liability	\$148,653		\$148,653
507	Taxes		\$208	\$208
508	Purchase of Service			\$0
509	Miscellaneous	\$11,071		\$11,071
511	Interest Expense	\$21,571		\$21,571
512	Lease and Rentals	\$11,875	\$177,097	\$188,972
	Other:			\$0
	Total Expenses	\$626,518	\$562,525	\$1,189,043

Vermilion County  
CRIS RURAL MASS TRANSIT DISTRICT  
Section 5311 Annual Financial Report  
Operating Period July 1, 2020 to June 30, 2021  
Contract Number 5319

	Administrative Expenses	Operating Expenses	Total	
1) Expenses: Per Single Audit	\$626,518	\$562,525	\$1,189,043	
2) Less: Ineligible Expenses per Single Audit	(630)	(122,247)	(\$122,877)	
3) Net Eligible Expenses ((1)-(2))	\$625,888	\$440,278	\$1,066,166	
4) Less: Section 5311 Operating Revenues (From Page 1)		\$230,130	\$230,130	
5) Section 5311 Operating Deficit ((3)-(4))		\$210,148		
6) Section 5311 Deficit ((3)-(4))			\$836,036	
7) Section 5311 Reimbursement %	x 80%	x 50%		
				Grant
				Total
A) Eligible Reimbursement Per Percentages	\$500,710	\$105,074		\$605,784
B) Funding Limits per Contract				\$143,028
C) Maximum Section 5311 Reimbursement: (Lesser of Totals for (A) or (B))			\$143,028	\$143,028
D) Less: IDOT Payments- Section 5311 Reimbursement to Grantee				\$143,028
E) Amount (Over) Under Paid ((C)-(D))				\$0.00
F) Grantee Local Match Requirement (Operating Deficit-(C))			\$693,008	

GRANTEE MATCH SOURCES	AMOUNTS
Downstate Operating Grant	\$ 693,008
Local Contracts	\$0
In-Kind Services, Subsidies, Donations	\$0
TOTAL LOCAL MATCH (Must equal (F))	\$ 693,008
LOCAL TRANSIT FUNDS RETAINED (CARRY FORWARD ACCOUNT)	
BEGINNING CARRY FORWARD (C.F.A.) BALANCE	\$381,791
FY Local Transit (Local Contracts) Amounts Received	226,326
Less expended for Capital \$ 0 Operating \$229,866	229,866
ENDING CARRY FORWARD (C.F.A.) BALANCE	\$378,251

I certify that the revenues and costs claimed for reimbursement are adequately supported and the approved cost allocation plan (if applicable) has been followed as provided in the project budget.

Prepared By: Kathy Cooksey  
Title: Associate Administrator  
Reviewed By/PCOM: \_\_\_\_\_  
Date: \_\_\_\_\_  
CPA Approval: See Independent Auditors' Report  
Date: See Independent Auditors' Report



CRIS RURAL MASS TRANSIT DISTRICT  
Required Audited Schedule of Revenue and Expenses Under  
The Cares Act Grants IL-2020-034-00, IL-2021-040-00, and IL 2021-041-00  
Operating Period July 1, 2020 to June 30, 2021  
Contract Number DPT #5244 (CARES-2410-23791)

	Administrative Expenses	Operating Expenses	Total	
1) Expenses: Per Single Audit	\$0	\$342,833	\$342,833	
2) Less: Ineligible Expenses per Single Audit	0	0	0	
3) Net Eligible Expenses ((1)-(2))	\$0	\$342,833	\$342,833	
4) Less: CARES Operating Revenues (From Page 1)		\$0	\$0	
5) CARES Operating Deficit ((3)-(4))		\$342,833		
6) CARES Deficit ((3)-(4))			\$342,833	
7) CARES Reimbursement %	x 0%	x 100%		
				Grant
				Total
A) Eligible Reimbursement Per Percentages	\$0	\$342,833	\$342,833	\$342,833
B) Funding Limits per Contract				\$972,947
C) Maximum Section CARES Reimbursement: (Lesser of Totals for (A) or (B))			\$342,833	\$342,833
D) Less: IDOT Payments-Section CARES Reimbursement to Grantee				\$0
E) Amount (Over) Under Paid ((C)-(D))				\$342,833
F) Grantee Local Match Requirement (Operating Deficit-(C))			\$0	

GRANTEE MATCH SOURCES	AMOUNTS
Downstate Operating Grant	
Local Contracts	
In-Kind Services, Subsidies, Donations	
TOTAL LOCAL MATCH (Must equal (F))	
LOCAL TRANSIT FUNDS RETAINED (CARRY FORWARD ACCOUNT)	
BEGINNING CARRY FORWARD (C.F.A.) BALANCE	
FY Local Transit (Local Contracts) Amounts Received	
Less expended for Capital \$ 0 Operating \$330,419	
ENDING CARRY FORWARD (C.F.A.) BALANCE	

I certify that the revenues and costs claimed for reimbursement are adequately supported and the approved cost allocation plan (if applicable) has been followed as provided in the project budget.

Prepared By: Kathy Cooksey  
Title: Associate Administrator  
Reviewed By/PCOM: \_\_\_\_\_  
Date: \_\_\_\_\_  
CPA Approval: See Independent Auditors' Report  
Date: See Independent Auditors' Report

**Reconciliation to the Statement of Revenues, Expenses, and Changes in Net Position**

Audited Federal Operating Assistance on this Schedule	\$342,833
May and June 2021 CARES Expenses Reported in July 2021	169,823
Total Included in Federal Operating Assistance on the Statement of Revenues, Expenses, and Changes in Net Position	<u>\$512,656</u>

CRIS RURAL MASS TRANSIT DISTRICT  
 Schedule of Revenues and Expenses  
 Under Downstate Operating Assistance Grant OP-21-07-IL  
 For the Year Ended June 30, 2021

Operating Revenues and Income:	
401 Passenger Fares for Transit Services	\$ 264
402 Special Transit Fares	229,866
406 Auxiliary Revenue	-
407 Non-Transportation Revenue	-
411 State Cash Grants and Reimbursements Other Than DOAP	-
413 Federal Cash Grants and Reimbursements	143,028
440 Subsidy from Other Sectors of Operations	-
	<hr/>
Total Operating Revenues	<u>\$ 373,158</u>
Operating Expenses:	
501 Labor	\$ 569,055
502 Fringe Benefits	66,625
503 Professional Services	90,206
504 Materials and Supplies Consumed	60,822
505 Utilities	31,858
506 Casualty and Liability	148,653
507 Taxes	208
508 Net Purchased Transportation	-
509 Miscellaneous Expense	11,073
511 Interest Expense	21,571
512 Leases, Rentals, and Purchase/Lease Payments	188,972
Total Operating Expenses from Audited Financial Statements	<hr/> 1,189,043
Non-rolling Stock Equipment Purchases Less Than \$10,000	<hr/> -
Total Operating Expenses	<hr/> 1,189,043
Less: Ineligible Operating Expenses:	
Reimbursed Expenses	-
In-kind Expenses	(122,247)
APTA Dues (10%)	-
IPTA Dues (20%)	(630)
	<hr/>
Total Ineligible Operating Expenses	<hr/> (122,877)
Total Eligible Operating Expenses	<u>\$ 1,066,166</u>

CRIS RURAL MASS TRANSIT DISTRICT  
 Schedule of Revenues and Expenses  
 Under Downstate Operating Assistance Grant OP-21-07-IL  
 For the Year Ended June 30, 2021

Total Eligible Operating Expenses	\$ 1,066,166
Total Operating Revenues	373,158
Deficit	<u><u>\$ (693,008)</u></u>
Sixty-Five Percent of Eligible Expense	<u><u>\$ 693,008</u></u>
Maximum Contract Amount	<u><u>\$ 1,317,800</u></u>
Eligible Downstate Operating Assistance (Deficit or Sixty-Five Percent of Eligible Expense or Maximum Contract Amount, Whichever is Less)	\$ 693,008
Fiscal Year 2021 Downstate Operating Assistance Received Through June 30, 2021	397,987
Fiscal Year 2021 Downstate Operating Assistance Received Subsequent to June 30, 2021	<u>295,021</u>
Fiscal Year 2021 Downstate Operating Assistance Under (Over) Paid	<u><u>\$ -</u></u>

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

To the Board of Directors  
CRIS Rural Mass Transit District  
Danville, 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 CRIS Rural Mass Transit District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 13, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 Audit 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Hood LLC*

Champaign, Illinois  
January 13, 2022

CRIS RURAL MASS TRANSIT DISTRICT  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2021

The District had no prior audit findings.