

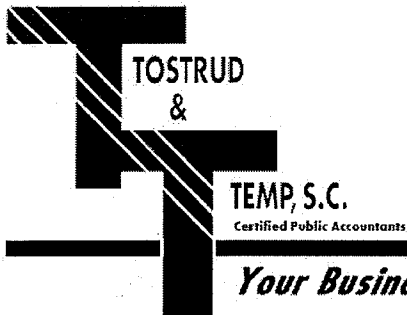
**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**DELAWARE, DUBUQUE AND JACKSON COUNTY  
REGIONAL TRANSIT AUTHORITY**

**June 30, 2016 and 2015**

## TABLE OF CONTENTS

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	3
<b>FINANCIAL STATEMENTS</b>	
STATEMENTS OF FINANCIAL POSITION	5
STATEMENTS OF ACTIVITIES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
<b>SUPPLEMENTAL INFORMATION</b>	14
SCHEDULE OF FUNCTIONAL EXPENSES FOR FISCAL YEAR ENDING JUNE 30, 2016	15
SCHEDULE OF FUNCTIONAL EXPENSES FOR FISCAL YEAR ENDING JUNE 30, 2015	16
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS	17
<b>OTHER REPORTS</b>	18
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	19
SCHEDULE OF FINDINGS AND RESPONSES	21



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

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

We have audited the accompanying financial statements of the Delaware, Dubuque and Jackson County Regional Transit Authority ("Regional Transit Authority"), (a nonprofit organization), which are comprised of the statement of financial position as of June 30, 2016 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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 financial position of the Regional Transit Authority as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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 presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 November 6, 2016, on our consideration of the Regional Transit Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Regional Transit Authority's internal control over financial reporting and compliance.

*Tostud + Tengel, S.C.*

November 6, 2016

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2016 and 2015

<b>ASSETS</b>	2016	2015
<b>CURRENT ASSETS</b>		
Cash	\$ 598,000	\$ 496,246
Accounts receivable		
Trade	260,803	87,898
Grants	18,035	14,847
Prepaid expenses	55,754	47,808
Total current assets	932,592	646,799
<b>PROPERTY AND EQUIPMENT</b>		
Net of accumulated depreciation	1,327,912	1,364,002
Total assets	\$ 2,260,504	\$ 2,010,801
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		
Trade	\$ 32,762	\$ 38,571
Related party	51,929	45,397
Accrued liabilities		
Payroll and paid time off	33,357	35,443
Payroll taxes and benefits	3,466	3,351
Unearned revenue	3,277	4,642
Total current liabilities	124,791	127,404
Total liabilities	124,791	127,404
<b>NET ASSETS</b>		
Unrestricted		
Board designated	455,291	198,510
Unrestricted	1,680,422	1,684,887
Total net assets	2,135,713	1,883,397
Total liabilities and net assets	\$ 2,260,504	\$ 2,010,801

The accompanying notes are an integral part of these statements.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

**STATEMENTS OF ACTIVITIES**  
For the years ended June 30, 2016 and 2015

	2016	2015
<b>REVENUE AND OTHER SUPPORT</b>		
Grants and contracts		
Federal grants	\$ 398,661	\$ 568,775
State grants	355,641	272,341
Other grants	18,677	-
Transportation contracts	1,075,365	922,322
Program fees	47,738	34,657
Contributions	40	90
Fundraising	-	50
Replacement capital	6,418	4,886
Gain (loss) on disposal of assets	650	-
Miscellaneous income	22,481	26,961
Interest	925	787
Total revenue and other support	1,926,596	1,830,869
<b>EXPENSES</b>		
Program services		
Operating	884,312	945,362
Maintenance	454,854	553,096
Volunteers	13,537	10,871
Supporting services		
Management and general	321,577	279,014
Total expenses	1,674,280	1,788,343
Increase (decrease) in net assets	252,316	42,526
<b>Net assets at beginning of year</b>	1,883,397	1,840,871
<b>Net assets at end of year</b>	\$ 2,135,713	\$ 1,883,397

The accompanying notes are an integral part of these statements.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

**STATEMENTS OF CASH FLOWS**

For the years ended June 30, 2016 and 2015

Increase in Cash

	2016	2015
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 252,316	\$ 42,526
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	168,133	191,387
Net loss (gain) on sale of equipment	(650)	-
Increase (decrease) in cash due to changes in:		
Accounts receivables	(176,093)	84,792
Prepaid expenses	(7,946)	(6,514)
Accounts payable	723	(7,249)
Accrued liabilities	(1,971)	3,109
Unearned revenue	(1,365)	(5,256)
Net cash provided by operating activities	233,147	302,795
<b>Cash flows from investing activities</b>		
Equipment and vehicles purchased	(132,043)	(164,767)
Proceeds from sale/transfer of equipment	650	-
Net cash used in investing activities	(131,393)	(164,767)
 Net increase (decrease) in cash	 101,754	 138,028
 Cash at beginning of year	 496,246	 358,218
 Cash at end of year	 \$ 598,000	 \$ 496,246

The accompanying notes are an integral part of these statements.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

**NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Delaware, Dubuque and Jackson County Regional Transit Authority ("Regional Transit Authority") was formed to improve, consolidate, and coordinate transportation services in the State of Iowa Planning Area VIII (excluding the city of Dubuque). At the present time, the Regional Transit Authority receives significant revenue from contracts with these agencies as well as the State of Iowa transit operation assistance, U.S. DOT Section 16 Rural Transit Operating Assistance, and passenger fares.

**1. Basis of Accounting**

The Regional Transit Authority uses the accrual method of accounting which recognizes income when earned and expenses when incurred.

**2. Income Tax Status**

The Regional Transit Authority is a nonprofit corporation, exempt from taxation on its income under Section 501(c)(3) of the Internal Revenue Code. The Regional Transit Authority, however, would not be exempt from income taxes on any unrelated business income it may receive.

**3. Depreciation**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives principally by the straight-line method.

**4. Property and Equipment**

Property and equipment is stated at cost. Major expenditures for property and those which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income. When assets which were acquired with Federal Capital Assistance are sold, the Regional Transit Authority must remit a portion of the gross sales price equal to the federal participation percentage, net of sales costs, to the federal government.

Depreciation is provided on the straight-line method over the estimated useful lives of the assets:

	<u>Years</u>
Vehicles and equipment	5
Office furniture	5
Software	3
Solar	25
Building	39



Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2016 and 2015

**NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

**5. Accounts Receivable**

Accounts receivable consists of amounts due on transportation contracts from various agencies. The Regional Transit Authority does not maintain an allowance for estimated uncollectible accounts. When an account is determined to be uncollectible, it is deducted from the accounts receivable and charged to expense.

**6. Donated Materials and Services**

The Regional Transit Authority records the value of donated goods or services when there is an objective basis available to measure their value. The Regional Transit Authority receives donated services from a variety of unpaid volunteers who assist the Regional Transit Authority in carrying out various transportation services. However, no amounts have been recognized in the current year of the accompanying statements for these services because they neither create or enhance a nonfinancial asset or require specialized skills in accordance with professional standards.

**7. Cash and Cash Equivalents**

The Regional Transit Authority considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**8. Estimates**

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

**9. Compensated Absences**

Employees under contract with the Regional Transit Authority accumulate vacation, sick and holiday hours for subsequent use or for payment upon termination, retirement or death. This paid time off is accumulated at a rate that is based on employment category and years of continuous service. The maximum that can be accrued is 280 hours by a full-time employee or 180 hours by a part-time employee. Upon termination of employment, the Regional Transit Authority pays for unused hours according to employment category and years of service.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2016 and 2015

**NOTE B - CASH AND INVESTMENTS**

The Regional Transit Authority maintains its cash in bank accounts which, at times may exceed federally insured limits. The Regional Transit Authority has not experienced any losses in such accounts. The Regional Transit Authority believes it is not exposed to any significant credit risk on cash.

Cash as of June 30, 2016, is classified in the accompanying financial statements as follows:

Statement of financial position:

Cash	\$ <u>598,000</u>
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Cash and investments as of June 30, 2016 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 398,325	\$ 403,588
Savings and money market accounts	<u>199,675</u>	<u>199,675</u>
	<u>\$ 598,000</u>	<u>\$ 603,263</u>

**Investments Authorized by the Authority's Investment Policy**

The Regional Transit Authority is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Regional Transit Authority and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the Regional Transit Authority did not have any certificates of deposit.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2016 and 2015

**NOTE B - CASH AND INVESTMENTS - CONTINUED**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The Regional Transit Authority's deposits at June 30, 2016 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Regional Transit Authority or the Regional Transit Authority's agent in the Regional Transit Authority's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Iowa Code. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

**NOTE C - ADMINISTRATIVE CONTRACT**

The East Central Intergovernmental Association (ECIA) has been contracted to provide management services for the Regional Transit Authority. This contract has the option to renew upon the approval of the Board of Directors. The Board of Directors voted to renew this contract effective March 18, 2015 for five years which covers fiscal years ending in 2016, 2017, 2018, 2019, and 2020. Payments to ECIA for the years ended June 30, 2016 and 2015 were \$218,690 and \$172,617, respectively.

**NOTE D - OTHER POST-EMPLOYMENT BENEFITS**

The Regional Transit Authority offers no material post-employment benefits to employees upon separation from service. Employees receive no payments at or after separation from service other than accrued sick and vacation pay which is already accrued in this report. The only post-employment benefit an employee may receive is COBRA continuation of their health insurance, for which the separated employee must pay 100% of their premium.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2016 and 2015

**NOTE E - PROPERTY AND EQUIPMENT**

A summary of changes in property and equipment during the current year were as follows:

	Balances 7/1/15	Additions	Removals	Balances 6/30/16
Land (not depreciated) \$	174,074	\$ -	\$ -	\$ 174,074
Land improvements	11,120	8,417	-	19,537
Building	1,107,856	-	-	1,107,856
Building Improvements	-	11,990	-	11,990
Equipment	362,237	13,812	-	376,049
Furniture	8,010	-	-	8,010
Software	79,113	-	-	79,113
Solar	-	61,696	-	61,696
Vehicles	1,593,085	36,128	7,358	1,621,855
	<u>3,335,495</u>	<u>132,043</u>	<u>7,358</u>	<u>3,460,180</u>
Less accumulated depreciation	1,971,493	168,133	7,358	2,132,268
Property and equipment, net	<u>\$ 1,364,002</u>	<u>\$ (36,090)</u>	<u>\$ -</u>	<u>\$ 1,327,912</u>

**NOTE F - EMPLOYEE RETIREMENT PLAN**

All eligible Regional Transit Authority employees may participate in the RTA 401(k) Plan. The Plan is tax qualified under Section 401(k) of the Internal Revenue Code and all contributions, by or on behalf of employees, is tax deferred until time of withdrawal. Contributions are not required, but employees may elect to make voluntary contributions within the prescribed limits of the code. The Regional Transit Authority will contribute a matching amount equal to 50% of salary deferrals up to 10.0% for fiscal years ended June 30, 2016 and 2015, of the employee's paid compensation. The Regional Transit Authority's total payroll for the fiscal years ended June 30, 2016 and 2015 was \$454,899 and \$464,356, respectively. The Regional Transit Authority contributed a matching amount for the fiscal years ended June 30, 2016 and 2015 of \$8,855 and \$10,862, respectively, for the employees who elected to participate.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2016 and 2015

**NOTE G - RELATED PARTY TRANSACTIONS**

The Regional Transit Authority, related to the East Central Intergovernmental Association through common management, is provided management services and office space, as noted earlier. ECIA also provides employees to perform dispatch services and act as mobility coordinator. Payments to ECIA for these services at and for the years ended June 30, 2016 and 2015, respectively, are as follows:

	<u>2016</u>	<u>2015</u>
Accounts payable	\$ 51,929	\$ 45,397
Dispatchers and mobility coordinator	\$ 312,890	\$ 349,598

**NOTE H - BOARD-DESIGNATED NET ASSETS**

The Regional Transit Authority's Board of Directors has designated net assets for capital replacement of \$455,291 and \$198,510 as of June 30, 2016 and June 30, 2015, respectively.

**NOTE I - UNCERTAIN TAX POSITIONS**

The Regional Transit Authority has determined there are no uncertain tax positions as of June 30, 2016 and 2015. Tax returns for the past three tax years remain open for examination by tax jurisdictions.

**NOTE J - OPERATING LEASES**

The Regional Transit Authority has two garage leases, one located in Manchester and the other located in Dyersville. The Manchester lease monthly rate is \$800 per month and expires December 31, 2016. The Dyersville lease monthly rate is \$700 per month and expires August 31, 2018. Minimum lease payments are as follows:

June 30, 2017	\$13,200
June 30, 2018	8,400
June 30, 2019	1,400

**NOTE K - SUBSEQUENT EVENTS**

The Regional Transit Authority has evaluated for subsequent events through November 6, 2016, the date on which the financial statements were available to be issued. It was determined no subsequent events needed to be disclosed.

**SUPPLEMENTAL INFORMATION**

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2016  
(with comparative totals for 2015)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2016	2015
Payroll	\$ 454,899	\$ -	\$ -	\$ -	\$ 454,899	\$ 464,356
Payroll taxes	34,944	-	-	-	34,944	35,445
Employee benefits	81,579	-	-	-	81,579	95,963
Total compensation	<u>571,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>571,422</u>	<u>595,764</u>
Communications	-	12,641	-	-	12,641	14,925
Computer support	-	-	-	20,299	20,299	19,966
Contracted services	312,890	-	-	218,690	531,580	522,215
Education/conferences	-	-	-	72	72	626
Employee recognition	-	-	-	1,157	1,157	1,490
Gas/oil	-	91,327	-	-	91,327	129,802
Insurance						
Liability/umbrella	-	22,520	438	-	22,958	22,095
Vehicle	-	52,409	-	-	52,409	48,602
Marketing & recruiting	-	-	-	6,382	6,382	6,218
Meals	-	-	130	-	130	142
Professional services	-	-	-	7,879	7,879	8,367
Office equipment	-	-	-	-	-	236
Organization dues	-	-	-	2,848	2,848	2,819
Printing	-	-	-	-	-	147
Repair & maintenance						
Facility/general	-	7,065	-	-	7,065	6,458
Vehicle	-	118,115	-	-	118,115	162,909
Rent	-	-	-	18,000	18,000	18,000
Service charges	-	-	-	554	554	659
Software support	-	-	-	736	736	-
Supplies	-	-	-	355	355	350
Telephone	-	-	-	5,255	5,255	5,046
Transportation	-	-	12,969	-	12,969	9,990
Utilities	-	11,603	-	-	11,603	13,999
Depreciation	-	134,506	-	33,627	168,133	191,387
Other expenses	-	4,668	-	5,723	10,391	6,131
	<u>312,890</u>	<u>454,854</u>	<u>13,537</u>	<u>321,577</u>	<u>1,102,858</u>	<u>1,192,579</u>
 Total expenses	 <u>\$ 884,312</u>	 <u>\$ 454,854</u>	 <u>\$ 13,537</u>	 <u>\$ 321,577</u>	 <u>\$ 1,674,280</u>	 <u>\$ 1,788,343</u>

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2015  
(with comparative totals for 2014)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2015	2014
Payroll	\$ 464,356	\$ -	\$ -	\$ -	\$ 464,356	\$ 438,512
Payroll taxes	35,445	-	-	-	35,445	33,613
Employee benefits	95,963	-	-	-	95,963	92,265
Total compensation	<u>595,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>595,764</u>	<u>564,390</u>
Bad debt expense	-	-	-	-	-	261
Communications	-	14,925	-	-	14,925	13,828
Computer support	-	-	-	19,966	19,966	18,964
Contracted services	349,598	-	-	172,617	522,215	499,814
Education/conferences	-	-	-	626	626	453
Employee recognition	-	-	-	1,490	1,490	963
Gas/oil	-	129,802	-	-	129,802	163,112
Insurance						
Liability/umbrella	-	21,400	695	-	22,095	21,733
Vehicle	-	48,602	-	-	48,602	41,144
Marketing & recruiting	-	-	-	6,218	6,218	6,242
Meals	-	-	142	-	142	247
Professional services	-	-	-	8,367	8,367	8,000
Office equipment	-	-	-	236	236	471
Organization dues	-	-	-	2,819	2,819	3,090
Printing	-	-	-	147	147	94
Repair & maintenance						
Facility/general	-	6,458	-	-	6,458	4,783
Vehicle	-	162,909	-	-	162,909	99,001
Rent	-	-	-	18,000	18,000	18,000
Service charges	-	-	-	659	659	3,000
Software support	-	-	-	-	-	-
Supplies	-	-	44	306	350	269
Telephone	-	-	-	5,046	5,046	5,673
Transportation	-	-	9,990	-	9,990	11,552
Utilities	-	13,999	-	-	13,999	15,977
Depreciation	-	153,110	-	38,277	191,387	235,196
Other expenses	-	1,891	-	4,240	6,131	14,454
	<u>349,598</u>	<u>553,096</u>	<u>10,871</u>	<u>279,014</u>	<u>1,192,579</u>	<u>1,186,321</u>
Total expenses	\$ <u>945,362</u>	\$ <u>553,096</u>	\$ <u>10,871</u>	\$ <u>279,014</u>	\$ <u>1,788,343</u>	\$ <u>1,750,711</u>

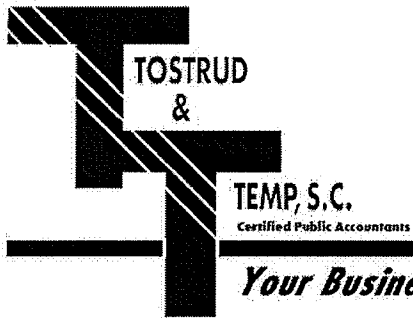


Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year ended June 30, 2016

<b>FEDERAL AWARDS</b>	Federal Catalog Number	Program or Award Amount	Receivable at July 1, 2015	Expenditures	Revenue		Receivable at June 30, 2016
					Grantor	Local	
United States Department of Transportation Federal Transit Administration - Non-Urban Operating Assistance Award number 180031-080-16 July 1, 2015 to June 30, 2016 Job Access/Reverse Commute Project	20.509	\$ 320,544	-	641,088	320,544	320,544	-
Award number 37-X023-080-14 October 1, 2013 to December 31, 2015 Job Access/Reverse Commute Project	20.516	\$ 221,720	14,847	32,180	40,591	6,436	-
Award number 57-X008-080-16 January 1, 2016 to December 31, 2016	20.521	110,860	-	65,466	52,373	13,093	-
			<u>74,571</u>	<u>738,734</u>	<u>413,508</u>	<u>340,073</u>	<u>-</u>
Total Federal Financial Assistance			\$ <u>74,571</u>	\$ <u>738,734</u>	\$ <u>413,508</u>	\$ <u>340,073</u>	\$ <u>-</u>
<b>STATE AWARDS</b>	I.D. Number	Program or Award Amount	Receivable at July 1, 2015	Expenditures	Revenue		Receivable at June 30, 2016
					State	Local	
<b>IOWA DEPARTMENT OF TRANSPORTATION</b> Passed through Iowa Department of Transportation for State Transit Assistance State Transit Assistance - Formula Project July 1, 2015 to June 30, 2016	N/A	\$ 304,746	\$ -	\$ 304,746	\$ 304,746	\$ -	\$ -
Public Transit Infrastructure Grant Project August 11, 2015 to August 10, 2017	N/A	84,000	-	63,619	50,895	12,724	-
Total Iowa Assistance			\$ <u>-</u>	\$ <u>368,365</u>	\$ <u>355,641</u>	\$ <u>12,724</u>	\$ <u>-</u>

Note 1: This statement is prepared using the same basis of accounting as the Regional Transit Authority's financial statements. The Regional Transit Authority uses the accrual basis of accounting.

**OTHER REPORTS**



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***Your Business Safety Net***

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

Board of Directors  
Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

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 Delaware, Dubuque and Jackson County Regional Transit Authority (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Regional Transit Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Transit Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Regional Transit Authority'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 Regional Transit Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 Regional Transit Authority'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 Regional Transit Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tostud & Tenpe, S.C.*

November 6, 2016

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year ended June 30, 2016

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Significant deficiency(ies) identified?	___ yes	<u>X</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	___ yes	<u>X</u> none reported
Noncompliance material to the financial statements?	___ yes	<u>X</u> no

**Section II - Financial Statement Findings**

None.

**Status of Prior Audit Findings**

There were no prior-year audit findings.