

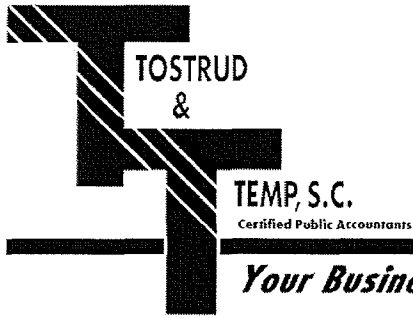
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DELAWARE, DUBUQUE AND JACKSON COUNTY
REGIONAL TRANSIT AUTHORITY

June 30, 2017 and 2016

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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, 2017 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, 2017, 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 October 26, 2017, 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.

Tostand & Kemp, S. C.

October 26, 2017

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
STATEMENTS OF FINANCIAL POSITION
June 30, 2017 and 2016

ASSETS	2017	2016
CURRENT ASSETS		
Cash	\$ 1,023,142	\$ 598,000
Accounts receivable		
Trade	250,374	260,803
Grants	22,308	18,035
Prepaid expenses	77,458	55,754
Total current assets	1,373,282	932,592
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	1,292,646	1,327,912
Total assets	\$ 2,665,928	\$ 2,260,504
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable		
Trade	\$ 21,788	\$ 32,762
Related party	60,420	51,929
Accrued liabilities		
Payroll and paid time off	38,567	33,357
Payroll taxes and benefits	3,361	3,466
Unearned revenue	2,508	3,277
Total current liabilities	126,644	124,791
Total liabilities	126,644	124,791
NET ASSETS		
Unrestricted		
Board designated	863,670	455,291
Unrestricted	1,675,614	1,680,422
Total net assets	2,539,284	2,135,713
Total liabilities and net assets	\$ 2,665,928	\$ 2,260,504

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, 2017 and 2016

	2017	2016
REVENUE AND OTHER SUPPORT		
Grants and contracts		
Federal grants	\$ 408,686	\$ 398,661
State grants	295,167	355,641
Other grants	-	18,677
Transportation contracts	1,467,591	1,075,365
Program fees	58,136	47,738
Contributions	226	40
Replacement capital	7,554	6,418
Gain (loss) on disposal of assets	-	650
Miscellaneous income	21,760	22,481
Interest	1,444	925
Total revenue and other support	2,260,564	1,926,596
 EXPENSES		
Program services		
Operating	1,065,512	884,312
Maintenance	485,510	454,854
Volunteers	8,460	13,537
Supporting services		
Management and general	297,511	321,577
Total expenses	1,856,993	1,674,280
 Increase (decrease) in net assets	403,571	252,316
 Net assets at beginning of year	2,135,713	1,883,397
 Net assets at end of year	\$ 2,539,284	\$ 2,135,713

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, 2017 and 2016

Increase in Cash

	2017	2016
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 403,571	\$ 252,316
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	116,151	168,133
Net loss (gain) on sale of equipment	-	(650)
Increase (decrease) in cash due to changes in:		
Accounts receivables	6,156	(176,093)
Prepaid expenses	(21,704)	(7,946)
Accounts payable	(2,483)	723
Accrued liabilities	5,105	(1,971)
Unearned revenue	(769)	(1,365)
Net cash provided by operating activities	506,027	233,147
Cash flows from investing activities		
Equipment and vehicles purchased	(80,885)	(132,043)
Proceeds from sale/transfer of equipment	-	650
Net cash used in investing activities	(80,885)	(131,393)
Cash flows from financing activities		
Debt reduction payments	-	-
Net cash used in financing activities	-	-
Net increase (decrease) in cash	425,142	101,754
Cash at beginning of year	598,000	496,246
Cash at end of year	\$ 1,023,142	\$ 598,000

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, 2017 and 2016

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). During the past year, 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 using the straight-line method.

4. Property and Equipment

Property and equipment is stated at cost. Major expenses for new or used property and upgrades 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 as income or expense, as appropriate. When assets which were acquired with federal grant 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 estimated useful service lives of the assets as follows:

	<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, 2017 and 2016

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 as income or expense in the current year financial statements for these services because they neither create or enhance a nonfinancial asset nor 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, 2017 and 2016

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, 2017, is classified in the accompanying financial statements as follows:

Statement of financial position:

Cash		\$ <u>1,023,142</u>
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Cash and investments as of June 30, 2017 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 563,846	\$ 569,788
Savings and money market accounts	<u>459,296</u>	<u>459,296</u>
	<u>\$ 1,023,142</u>	<u>\$ 1,029,084</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 or investments with a maturity date out in the future.

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. The Regional Transit Authority did not hold any investments in obligations rated by a nationally recognized statistical rating organization during the past fiscal year.

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2017 and 2016

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, 2017 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, 2017 and 2016 were \$187,482 and \$218,690, 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, 2017 and 2016

NOTE E - PROPERTY AND EQUIPMENT

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

	Balances 6/30/16	Additions	Removals	Balances 6/30/17
Land (not depreciated) \$	174,074	\$ -	\$ -	\$ 174,074
Land improvements	19,537	-	-	19,537
Building	1,107,856	-	-	1,107,856
Building Improvements	11,990	-	-	11,990
Equipment	376,049	19,240	112,210	283,079
Furniture	8,010	-	-	8,010
Software	79,113	-	-	79,113
Solar	61,696	-	-	61,696
Vehicles	1,621,855	61,645	2,910	1,680,590
	<u>3,460,180</u>	<u>80,885</u>	<u>115,120</u>	<u>3,425,945</u>
Less accumulated depreciation	<u>2,132,268</u>	<u>116,151</u>	<u>115,120</u>	<u>2,133,299</u>
Property and equipment, net	<u>\$ 1,327,912</u>	<u>\$ (35,266)</u>	<u>\$ -</u>	<u>\$ 1,292,646</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 employee salary deferrals. Employees deferrals up to 10.0% are matched up to 5% by the Regional Transit Authority for the fiscal years ended June 30, 2017 and 2016. The Regional Transit Authority's total payroll for the fiscal years ended June 30, 2017 and 2016 was \$500,610 and \$454,899, respectively. The Regional Transit Authority contributed a matching amount for the fiscal years ended June 30, 2017 and 2016 of \$9,531 and \$8,855, 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, 2017 and 2016

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, 2017 and 2016, respectively, are as follows:

	<u>2017</u>	<u>2016</u>
Accounts payable	\$ 60,420	\$ 51,929
Dispatchers and mobility coordinator	\$ 439,918	\$ 312,890

NOTE H - BOARD-DESIGNATED NET ASSETS

The Regional Transit Authority's Board of Directors has designated net assets for capital replacement of \$863,670 and \$455,291 as of June 30, 2017 and June 30, 2016, respectively.

NOTE I - OPERATING LEASES

The Regional Transit Authority has two garage leases, one located in Manchester and the other located in Dyersville. The Manchester monthly lease rate is \$800 per month and expires December 31, 2017. The Dyersville monthly lease rate is \$700 per month and expires August 31, 2018. Minimum lease payments are as follows:

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

NOTE J - SUBSEQUENT EVENTS

The Regional Transit Authority has evaluated for subsequent events through October 26, 2017, 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, 2017
(with comparative totals for 2016)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2017	2016
Payroll	\$ 500,610	\$ -	\$ -	\$ -	\$ 500,610	\$ 454,899
Payroll taxes	37,869	-	-	-	37,869	34,944
Employee benefits	87,115	-	-	-	87,115	81,579
Total compensation	<u>625,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>625,594</u>	<u>571,422</u>
Advertising	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
Communications	-	13,484	-	-	13,484	12,641
Computer support	-	-	-	26,558	26,558	20,299
Contracted services	439,918	-	-	187,482	627,400	531,580
Education/conferences	-	-	-	2,790	2,790	72
Employee recognition	-	-	-	1,655	1,655	1,157
Gas/oil	-	101,305	-	-	101,305	91,327
Insurance						
Liability/umbrella	-	29,409	478	-	29,887	22,958
Vehicle	-	86,361	-	-	86,361	52,409
Marketing & recruiting	-	-	-	5,741	5,741	6,382
Meals	-	-	124	-	124	130
Professional services	-	-	-	6,695	6,695	7,879
Office equipment	-	-	-	-	-	-
Organization dues	-	-	-	2,835	2,835	2,848
Printing	-	-	-	-	-	-
Repair & maintenance						
Facility/general	-	12,359	-	-	12,359	7,065
Vehicle	-	138,091	-	-	138,091	118,115
Rent	-	-	-	18,000	18,000	18,000
Service charges	-	-	-	432	432	554
Software support	-	-	-	-	-	736
Supplies	-	-	-	-	-	355
Telephone	-	-	-	5,488	5,488	5,255
Transportation	-	-	7,858	-	7,858	12,969
Utilities	-	10,488	-	-	10,488	11,603
Depreciation	-	92,921	-	23,230	116,151	168,133
Other expenses	-	1,092	-	16,605	17,697	10,391
	<u>439,918</u>	<u>485,510</u>	<u>8,460</u>	<u>297,511</u>	<u>1,231,399</u>	<u>1,102,858</u>
Total expenses	\$ <u>1,065,512</u>	\$ <u>485,510</u>	\$ <u>8,460</u>	\$ <u>297,511</u>	\$ <u>1,856,993</u>	\$ <u>1,674,280</u>

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

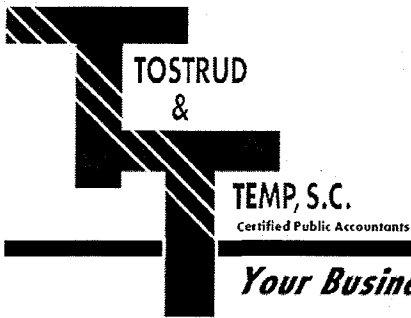
	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2016	2015
Payroll	\$ 454,899	\$ -	\$ -	\$ -	\$ 454,899	\$ 464,356
Payroll taxes	34,944	-	-	-	34,944	35,445
Employee benefits	81,579	-	-	-	81,579	95,963
Total compensation	<u>571,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>571,422</u>	<u>595,764</u>
Advertising	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
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 EXPENDITURES OF FEDERAL AND STATE AWARDS
Year ended June 30, 2017

FEDERAL AWARDS	Federal Catalog Number	Program or Award Amount	(As Restated) Receivable at July 1, 2016	Expenditures	Cash Received		Receivable at June 30, 2017
					Grantor	Local	
United States Department of Transportation Federal Transit Administration Non-Urban Operating Assistance Award number 2016-018-080-17 July 1, 2016 to June 30, 2017	20.509	\$ 313,938	-	627,876	313,938	313,938	-
Elderly and Persons with Disabilities Project Award number 2017-004-080-FY16 February 1, 2017 to July 31, 2018	20.513	100,160	18,035	3,645	18,035	730	2,915
New Freedom Assistance Project Award number 57-X008-080-17 January 1, 2017 to December 31, 2017	20.521	151,057	-	70,767	41,099	10,275	19,393
New Freedom Assistance Project Award number 57-X008-080-16 January 1, 2016 to December 31, 2016	20.521	110,860	-	63,422	50,734	12,688	-
Total Federal Financial Assistance			\$ <u>18,035</u>	\$ <u>765,710</u>	\$ <u>423,806</u>	\$ <u>337,631</u>	\$ <u>22,308</u>
STATE AWARDS	I.D. Number	Program or Award Amount	Receivable at July 1, 2016	Expenditures	Revenue		Receivable at June 30, 2017
					State	Local	
IOWA DEPARTMENT OF TRANSPORTATION Passed through Iowa Department of Transportation for State Transit Assistance State Transit Assistance - Formula Project July 1, 2016 to June 30, 2017	N/A	\$ 303,178	\$ -	\$ 295,167	\$ 295,167	\$ -	\$ -
Total Iowa Assistance			\$ <u>-</u>	\$ <u>295,167</u>	\$ <u>295,167</u>	\$ <u>-</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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**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 are comprised of the statement of financial position as of June 30, 2017, 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 October 26, 2017.

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.

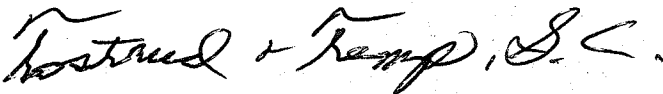
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



October 26, 2017

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
SCHEDULE OF FINDINGS AND RESPONSES
Year ended June 30, 2017

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?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Noncompliance material to the financial statements?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Section II - Financial Statement Findings

None.

Status of Prior Audit Findings

There were no prior-year audit findings.