

# **Bi-State Regional Commission**

Financial and Compliance Report

June 30, 2015



Serving local governments in Muscatine and Scott Counties, Iowa;  
Henry, Mercer and Rock Island Counties, Illinois.



## Contents

---

### Introductory Section

---

Bi-State Regional Commission Representatives	1
--	---

---

### Financial Section

---

Independent auditor's report on the financial statements and supplementary information	2 – 4
Management's discussion and analysis	5 – 8
Basic financial statements:	
Statement of net position	9
Statement of revenues, expenses and changes in net position	10
Statement of cash flows	11
Notes to basic financial statements	12 – 19
Required supplementary information, other postemployment benefit plan, schedule of funding progress	20
Supplementary Information:	
Due from other governments	21
Schedule of indirect costs	22
Schedule of fringe benefits	23
Schedules of revenues and expenses and computation of grantor participation on completed projects, primary grantor agency:	
Illinois Department of Transportation	24 – 25
Illinois and Iowa Department of Transportation	26 – 27
Iowa Departments of Transportation	28 – 29
Local government	30
Iowa Department of Economic Development	31
Economic Development Administration and Rural Housing Service	32 – 33
Local government	34
Economic Development Administration	35
Local government	36
Federal Transit Administration	37
Iowa Department of Homeland Security	38
Illinois Department of Emergency Management	39
Center for Disease Control	40

---

### Compliance Section

---

Schedule of expenditures of federal awards	41
Notes to schedule of expenditures of federal awards	42
Summary schedule of prior audit findings	43
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	44 – 45
Independent auditor's report on compliance for each major federal program and on Internal control over compliance in accordance with OMB Circular A-133	46 – 47
Schedule of findings and questioned costs	48 – 49

---

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Bi-State Regional Commission

### Representatives

---

#### OFFICERS

---

John Thodos, Chair  
Kimberly Callaway-Thompson, Secretary

Kas Kelly, Vice Chair  
Marty O'Boyle, Treasurer

---

#### COUNTY REPRESENTATIVES

---

##### Henry County:

Roger Gradert, Chair  
Dennis Anderson, Member  
JoAnne Hillman, Member

##### Muscatine County:

Robert Howard, Chair  
Tom Furlong, Member

##### Rock Island County:

Ken "Moose" Maranda, Chair  
Kim Callaway-Thompson, Member  
Scott Terry, Member  
Elizabeth Sherwin, Citizen

##### Scott County:

Tom Sunderbruch, Chair  
Carol Earnhardt, Member  
Diane Holst, Member  
Jazmin Newton-Butt, Citizen

---

#### MUNICIPAL REPRESENTATIVES

---

##### City of Davenport:

Bill Gluba, Mayor  
Jason Gordon, Alderman  
Gene Meeker, Alderman  
Hap Volz, Citizen

##### City of Muscatine:

DeWayne Hopkins, Mayor

##### City of Rock Island:

Dennis Pauley, Mayor  
Chuck Austin, Councilman

##### City of Kewanee:

Steve Looney, Mayor

##### City of Silvis and Villages of Andalusia, Carbon Cliff, Coal Valley, Cordova, Hampton, Hillsdale, Milan, Oak Grove, Port Byron and Rapids City:

Ken Williams, Mayor, Carbon Cliff

##### City of Moline:

Scott Raes, Mayor  
Sean Liddell, Alderman

##### Cities of Aledo, Colona, Galva, Geneseo and Villages of Alpha, Andover, Atkinson, Cambridge, New Boston, Orion, Sherrard, Viola, Windsor and Woodhull:

Dave Holmes, Mayor, Woodhull

##### City of Bettendorf:

Bob Gallagher, Mayor

##### City of East Moline:

John Thodos, Mayor

##### Cities of Blue Grass, Buffalo, Eldridge, LeClaire, Long Grove, McCausland, Princeton, Riverdale, Walcott, West Liberty and Wilton:

Marty O'Boyle, Mayor, Eldridge

---

#### DESIGNATED CONSTITUENCIES

---

Ralph H. Heninger  
Nathaniel Lawrence  
Rick Schloemer

Bill Stoermer  
Jim Tank  
Rory Washburn

**THIS PAGE INTENTIONALLY LEFT BLANK**



## Independent Auditor's Report

To the Commissioners  
Bi-State Regional Commission  
Rock Island, Illinois

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

We have audited the accompanying financial statements of the Bi-State Regional Commission as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Bi-State Regional Commission'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 financial position of the Bi-State Regional Commission as of June 30, 2015, and the changes in its financial position and 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 and other postemployment benefit plan schedule of funding progress on pages 5–8 and 20, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying schedules listed in the table of contents as supplementary information and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Bi-State Regional Commission'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 Bi-State Regional Commission's internal control over financial reporting and compliance.

*Bohnsack & Frommelt LLP*

Taylor Ridge, Illinois  
December 4, 2015

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **Bi-State Regional Commission**

### **Management's Discussion and Analysis Year Ended June 30, 2015**

---

#### **Introduction**

This section of Bi-State Regional Commission's (Commission) Financial and Compliance Report presents the Management's Discussion and Analysis of the Commission's financial performance during the fiscal year ended June 30, 2015. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting change and currently known facts, it should be read in conjunction with the Commission's basic financial statements and the notes to the basic financial statements.

#### **Financial Highlights**

- The assets of the Commission exceeded liabilities as of June 30, 2015 by \$2,516,019. Of this amount \$312,903 is unrestricted and may be used to meet the Commission's ongoing obligations in accordance with the Commission's designations and policies. The assets of the Commission exceeded liabilities as of June 30, 2014, by \$2,212,775. Of this amount, \$346,880 was unrestricted.
- The Commission's total net position increased by \$303,244, as compared to a decrease of \$64,141 in 2014.
- The Commission's total long-term liabilities increased by \$60,950.

#### **Overview of the Financial Statements**

The statement of net position presents the assets, deferred inflows of resources, liabilities, deferred outflows of resources and net position of the Commission as of the end of the fiscal year and requires the classification of assets and liabilities into current and noncurrent categories. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is reflected in the net position section that reflects net position in three broad categories: net investment in capital assets; restricted; and unrestricted. Net position is one indicator of the current financial condition of the Commission, while the change in net position is one indicator of whether the overall financial condition of the Commission has improved or deteriorated during the year.

The statement of revenues, expenses and changes in net position presents the revenues and expenses that occurred during the fiscal year. Revenues and expenses are categorized as operating and nonoperating, and expenses are reported by natural classification.

The statement of cash flows presents the inflow and outflow of cash collected and disbursed by the Commission for the fiscal year. It separates the sources and uses of funds by the major categories of operating, capital and related financing, noncapital financing, and investing activities.

**Bi-State Regional Commission**

**Management's Discussion and Analysis  
Year Ended June 30, 2015**

---

**Condensed Financial Information**

Statement of Net Position		
	2015	2014
Assets:		
Noncapital	\$ 3,687,406	\$ 3,267,246
Capital (net)	25,006	32,351
<b>Total assets</b>	<b>3,712,412</b>	<b>3,299,597</b>
Liabilities:		
Current	784,208	735,587
Noncurrent	412,185	351,235
<b>Total liabilities</b>	<b>1,196,393</b>	<b>1,086,822</b>
Net position:		
Net investment in capital assets	25,006	32,351
Restricted	2,178,110	1,833,544
Unrestricted	312,903	346,880
<b>Total net position</b>	<b>\$ 2,516,019</b>	<b>\$ 2,212,775</b>

The Commission's net investment in capital assets is 1.0 percent in 2015 and 1.5 percent in 2014 of total net position. Restricted net position is 86.6 percent of total net position for the 2015 fiscal year, and 83 percent for the 2014 fiscal year. The Commission's unrestricted net position reflects approximately 12.4 percent of the Commission's net position for the 2015 fiscal year, and 15.6 percent for the 2014 fiscal year.

The increase in total assets of \$412,815 from the 2015 fiscal year is primarily due to new notes receivable originated through the Commission's revolving loan fund program.

Current liabilities have increased \$48,621 from fiscal year 2015 due to an increase in accrued expenses for the over allocation on indirect costs. Noncurrent liabilities increased \$60,950 primarily due to the accounting for other post-employment benefit (OPEB) liabilities.

## Bi-State Regional Commission

### Management's Discussion and Analysis Year Ended June 30, 2015

#### Statement of Revenues, Expenses and Changes in Net Position

	2015	2014
Revenues:		
Operating:		
Federal grants	\$ 1,526,138	\$ 1,393,353
State grants and support	205,665	205,122
General support	379,252	379,465
Local	924,175	1,024,195
Interest on notes receivable	34,498	34,817
Other	557	343
Nonoperating income, interest	930	891
<b>Total revenues</b>	<b>3,071,215</b>	<b>3,038,186</b>
Expenses:		
Operating:		
Salaries	963,979	954,532
Fringe benefits	462,710	508,630
Indirect costs	455,721	412,412
OPEB expense	47,501	47,187
Printing	21,616	13,884
Travel and conference	30,083	27,587
Consultants	465,109	729,307
Direct program costs	229,366	270,260
Miscellaneous	35,827	58,761
Depreciation	20,466	21,351
Provision for doubtful loans	35,593	58,416
<b>Total expenses</b>	<b>2,767,971</b>	<b>3,102,327</b>
<b>Change in net position</b>	<b>303,244</b>	<b>(64,141)</b>
Beginning net position	2,212,775	2,276,916
<b>Ending net position</b>	<b>\$ 2,516,019</b>	<b>\$ 2,212,775</b>

Operating revenues accounted for approximately 99 percent of total revenues, while nonoperating revenues accounted for the other 1 percent of the Commission's total revenues. Operating revenues consist primarily of federal and state programs, membership dues, Municipal Code Enforcement System and interest on revolving loans.

Overall, federal and state grants operating revenues have increased from prior years. In particular, funds were utilized for a freight study.

Operating expenses are directly affected by the federal and state programs. In particular, consultants operating expenses decreased \$264,198 from 2014. This decrease is due to two program studies in fiscal year 2014 that required consultant fees which were the household travel survey and travel demand enhancement program of approximately \$299,000 and the metals manufacturing hub study of approximately \$291,000. In fiscal year 2015, the Commission incurred approximately \$264,000 of consultant fees for the freight study.

## **Bi-State Regional Commission**

### **Management's Discussion and Analysis Year Ended June 30, 2015**

---

#### **Capital Assets**

The Commission's capital assets were \$182,704, net of accumulated depreciation of \$157,698, as of June 30, 2015 and \$177,490, net of accumulated depreciation of \$145,139 as of June 30, 2014. This decrease of \$7,345 is due to purchases in an amount less than the current year depreciation. Depreciation expense was \$20,466. Acquisition of equipment was \$13,121. Further information on capital assets can be found in Note 3 to the basic financial statements.

#### **Long-Term Debt**

The Commission did not issue any new debt in the current year nor does the Commission have outstanding debt from prior years. Note 8 to the basic financial statements disclose information in regards to the Commission's noncurrent compensated absences liability. Note 10 to the basic financial statements discloses information in regards to the Commission's noncurrent other postemployment benefits liability.

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

Revenue from federal and state grants and support was \$1,598,475 in 2015 compared to \$1,109,348 in 2014, a \$489,127 increase from 2014, while revenues from general support and local sources was \$1,403,660, a \$194,266 increase from 2014.

Interest earned on notes receivable from the Commission's Revolving Loan Fund have remained relatively constant from year-to-year with interest rates ranging from 2.44 to 4.00 percent.

The following are factors that may affect the Commission over the next few years:

- The continuation of limited competitive federal and state funds available continues the need for local contracting and funding.
- Continued increased costs of health insurance benefits could impact affordability.
- New regulations and newer staff increase training needs.
- Lack of an Illinois budget has created uncertainty in reimbursement of their contractual obligations to us and is also impacting our Illinois local governments funding.

All of these factors will be considered in preparing the Commission's budget for the June 30, 2016 fiscal year.

#### **Requests for Information**

This financial report has been prepared to provide the reader with an overview of the Commission's financial operations. If the reader would like additional information, please direct the request to Donna Moritz, Administration and Finance Director, 309.793.6302 extension 128.

## Bi-State Regional Commission

### Statement of Net Position

June 30, 2015

#### Assets

##### Current:

Cash and cash equivalents	\$	1,853,926
Receivables:		
Notes receivable, net		749,856
Due from other governments		615,547
Accounts receivable		206,597
Accrued interest receivable		2,538
Prepaid items		33,792
<b>Total current assets</b>		<b>3,462,256</b>

##### Noncurrent:

Equipment, net of accumulated depreciation of \$157,698		25,006
Notes receivable, net of allowance for doubtful notes of \$78,200		225,150
<b>Total noncurrent assets</b>		<b>250,156</b>

#### **Total assets**

**\$ 3,712,412**

#### Liabilities and Net Position

##### Current liabilities:

Accounts payable	\$	250,113
Accrued expenses		226,295
Compensated absences		109,234
Unearned revenue		198,566
<b>Total current liabilities</b>		<b>784,208</b>

##### Noncurrent liabilities:

Compensated absences		36,411
Other postemployment benefits		375,774
		412,185

#### **Total liabilities**

**1,196,393**

#### Net Position

Net investment in capital assets		25,006
Restricted for revolving loan program		2,178,110
Unrestricted		312,903
<b>Total net position</b>		<b>2,516,019</b>

#### **Total liabilities and net position**

**\$ 3,712,412**

See Notes to Basic Financial Statements.

## Bi-State Regional Commission

### Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2015

---

Operating revenues:	
Federal grants	\$ 393,436
Federal grants, administered by state	955,671
Federal grants, administered by local government	177,031
State grants and support	205,665
General support	379,252
Local	924,175
Interest on notes receivable	34,498
Other	557
<b>Total operating revenues</b>	<u>3,070,285</u>
Operating expenses:	
Salaries	963,979
Fringe benefits	462,710
Indirect costs	455,721
Printing	21,616
Travel and conference	30,083
Consultant	465,109
Direct program costs	229,366
Miscellaneous	35,827
Depreciation	20,466
Other postemployment benefits	47,501
Provision for doubtful notes	35,593
<b>Total operating expenses</b>	<u>2,767,971</u>
<b>Operating income</b>	<u>302,314</u>
Nonoperating income, interest	<u>930</u>
<b>Change in net position</b>	303,244
Net position, beginning	<u>2,212,775</u>
Net position, ending	<u>\$ 2,516,019</u>

See Notes to Basic Financial Statements.

**Bi-State Regional Commission**

**Statement of Cash Flows**  
**Year Ended June 30, 2015**

---

Cash flows from operating activities:	
Receipts from members and grantors	\$ 2,817,912
Payments to vendors	(1,357,806)
Payments to employees	(1,254,259)
<b>Net cash provided by operating activities</b>	<u>205,847</u>
Cash flows from capital and related financing activities, acquisition of equipment	<u>(13,121)</u>
Cash flows from investing activities, interest received	<u>930</u>
<b>Net increase in cash and cash equivalents</b>	193,656
Cash and cash equivalents:	
Beginning	<u>1,660,270</u>
Ending	<u><u>\$ 1,853,926</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 302,314
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	20,466
Notes receivable originated	(865,776)
Collection of notes receivable	673,175
Provision for doubtful accounts	35,593
Decrease (increase) in:	
Accrued interest on notes receivable	4,223
Due from other governments	6,997
Accounts receivable	(58,931)
Prepaid items	(21,785)
Increase (decrease) in:	
Accounts payable	(50,798)
Accrued expenses	114,356
Compensated absences	10,573
Unearned revenue	(12,061)
Other postemployment benefits	47,501
<b>Net cash provided by operating activities</b>	<u><u>\$ 205,847</u></u>

See Notes to Basic Financial Statements.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies

##### Nature of operations:

Bi-State Regional Commission is a regional council created to serve local governments and not-for-profits in Muscatine and Scott Counties in Iowa and Henry, Mercer and Rock Island Counties in Illinois. The primary objectives of the Commission are threefold:

1. To serve local governments in the Bi-State region.
2. To serve as a regional forum for intergovernmental cooperation.
3. To provide staff assistance and research in the areas of transportation, housing, environment, human services, land use, economic development, flood recovery and local government planning and management.

##### Reporting entity:

The financial report of the Commission includes all of the integral parts of the Commission's operations. Accounting principles generally accepted in the United States of America require the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Commission has the right to sue and be sued, and has the right to buy, sell or mortgage property in its own name. Based on this criteria, the Commission is considered a primary government and there are no other organizations or agencies whose financial statements should be combined and presented with these financial statements.

##### Significant accounting policies:

Basis of accounting and measurement focus: The Commission uses the accrual basis of accounting and the economic resources measurement focus. Revenue is recognized when earned and expenses are recognized when the liability is incurred.

Revenue from grants, general support and similar programs is recognized when the Commission has done everything necessary to establish its right to the revenue.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of reporting cash flows, the Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Equipment: Equipment is carried at cost, less accumulated depreciation computed on a straight-line basis over the equipment's estimated useful life of three to five years. The Commission capitalizes assets with an initial, individual cost of \$500 for nonfederal grant assets and \$5,000 for federal grant assets. Donated assets are recorded at the estimated fair value at the date of donation.

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 1. Nature of Operations, Reporting Entity and Significant Accounting Policies (Continued)

Accounts receivable: Accounts receivable mainly results from services provided to not-for-profit organizations and fines and fees paid by citizens.

Notes receivable: The Commission administers a Revolving Loan Fund to account for low interest economic development loans being made to qualifying entities within the private sector. As of June 30, 2015, the outstanding balance on these loans totaled \$1,053,206, net of an allowance for doubtful accounts of \$78,200, with interest rates ranging from 2.44 percent to 4.25 percent.

Unearned revenue: Resources that have been received but not earned are recorded as unearned revenue. Unearned revenue consists primarily of local program matches collected from members and state grant monies collected prior to the federal or state program being completed.

Operating and nonoperating revenues and expenses: Operating revenues result from exchange transactions of the Commission's activities including federal and state programs. Nonoperating revenues result from nonexchange transactions such as interest earnings. Expenses associated with operating the Commission are considered operating.

Net position: Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. The Commission does not have deferred outflows of resources or deferred inflows of resources as of June 30, 2015. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position consists of net position that does not meet the definition of the preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

As of June 30, 2015, no debt is outstanding for the purchase of capital assets. Restricted net assets of \$2,178,110 are for the revolving loan program.

Net position flow assumption: Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as net position-restricted and net position-unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider net position-restricted to have been depleted before net position-unrestricted is applied.

#### Note 2. Cash and Cash Equivalents

The Commission's cash and cash equivalents as of June 30, 2015, consists of the following:

Petty cash	\$	350
Checking accounts		35,821
Certificate of deposit		100,000
Money market savings accounts		1,717,755
	\$	<u>1,853,926</u>

The Commission's cash and cash equivalents during the year did not vary substantially from those at year-end in amounts or level of risk.

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 2. Cash and Cash Equivalents (Continued)

Interest rate risk: In accordance with the Commission's formal investment policy, the Commission is authorized to invest in short-term certificates of deposits and long-term money market certificates. The Commission did not own any investments as of June 30, 2015.

Credit risk: Statutes authorize the Commission to make deposits in federally insured banks, savings and loan associations or other financial institutions, and to invest available funds in the following types of depository accounts or investments:

- Securities of the U.S. Government or its Agencies
- Certificates of Deposit
- Passbook Savings Accounts
- Commercial Paper
- Illinois Funds Money Market Fund
- Repurchase Agreements
- Obligations of the Federal National Mortgage Association
- Bankers Acceptances

Concentration of credit risk: The Commission's formal investment policy attempts to allow flexibility, equality of opportunity and maximum interest yield on the Commission's investments.

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. As of June 30, 2015, the Commission's carrying amount of deposits totaled \$1,853,576 with the bank balance of \$2,063,776. Of the bank balance, \$596,510 was covered by federal depository insurance with the remaining \$1,467,266 insured by the state of Iowa through pooled collateral, State Sinking Funds and by the state of Iowa's ability to assess for lost funds. Therefore, as of June 30, 2015, the Commission had no deposits exposed to custodial credit risk.

#### Note 3. Capital Assets

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

	June 30, 2014	Additions	Deletions	June 30, 2015
Capital assets being depreciated:				
Equipment	\$ 177,490	\$ 13,121	\$ (7,907)	\$ 182,704
Accumulated depreciation	(145,139)	(20,466)	7,907	(157,698)
<b>Capital assets, net</b>	<b>\$ 32,351</b>	<b>\$ (7,345)</b>	<b>\$ -</b>	<b>\$ 25,006</b>

#### Note 4. Lease Commitment and Rent Expense

The Commission leases its office space and physical facilities from the County of Rock Island, Illinois under an agreement which is renewable annually. The total rent expense of the Commission for the year ended June 30, 2015 was \$55,421.

#### Note 5. Related Party Transactions

Due from other governments and operating revenues includes transactions with related parties. The Board of Commissioners of Bi-State is made up of individuals from participating governments. All transactions with participating governments would be considered related party transactions. Detail information related to these transactions can be found in the supplemental schedules following the basic financial statements.

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 6. Pension Plan

The Commission has a defined contribution pension plan covering substantially all employees who have completed 90 days of continuous service. The plan provides eligible employees with retirement and death benefits through a group annuity contract wherein all amounts are allocated to separate accounts by the insurer. The Commission contributes, on behalf of each of the employees who are members of the plan, an amount equal to 9 percent of their annual compensation. Members make mandatory pretax contributions to their accounts in the amount of 4½ percent of their annual compensation and are 100 percent vested on that portion. Commission contributions are 20 percent vested after three years and vest by an additional 20 percent for each year of service thereafter, and are 100 percent vested after seven years. The Commission's total payroll for the year ended June 30, 2015 was \$1,263,071 of which \$1,225,482 was covered under this plan. The total contributions and administrative costs incurred by the Commission, net of forfeitures, for the year ended June 30, 2015 was \$51,621. Employees contributed \$55,147 during fiscal year 2015. The plan assets are reported at fair value using quoted market prices.

#### Note 7. Deferred Compensation Plan

The Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all Commission employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

#### Note 8. Compensated Absences

Commission salaried employees working 20 hours or more per week accumulate sick leave hours at a rate of one hour for each 21 and ¾ hours of paid employment and may accumulate the hours up to a maximum of 130 working days. The Commission's sick leave policy states that, under certain circumstances, an employee may exchange two hours of sick leave accrued during the year for one hour of paid vacation leave provided the employee maintains at least 240 hours of sick leave. An employee who wishes to make an exchange must complete a form during the month of December. In no case shall an employee's sick leave transfer cause their balance to exceed the maximum accrual allowed for vacation time. Upon termination, employees receive no payment for the unused accumulated sick leave hours. The unvested sick leave represents a contingent liability of the Commission in the amount of approximately \$155,761 as of June 30, 2015. The compensated absences as of June 30, 2015, consist of accrued vacation.

	2014	Earned	Used	2015	Due Within One Year
Compensated absences	\$ 135,072	\$ 112,549	\$ 101,976	\$ 145,645	\$ 109,234

#### Note 9. Risk Management

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; workers' compensation; and accidents. The Commission carries commercial insurance of which management believes is adequate to cover material risk to which the Commission is exposed. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

In addition, the Commission pays premiums to Rock Island County for employee health insurance through the County's self-insurance plan. Premiums paid to the County in fiscal year 2015 for health insurance were \$170,407 and in 2014 \$166,002. There were no additional premiums owed to the County for past claims as of June 30, 2015 and 2014.

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 10. Other Postemployment Benefits

Plan description: The Commission provides postretirement health care benefits to all Commission employees who retire after 20 years of service and have attained age 55. Upon retirement, all employees may elect to continue coverage under the Commission's group health and accident insurance. Currently, no retiree has maintained the Commission's group health and accident insurance coverage. The Plan does not issue a stand-alone financial report.

Funding policy: The Commission establishes and amends contribution requirements. The Commission pays approximately 50 percent of the pre-Medicare retirees' health insurance premiums for single coverage. For fiscal year 2015, the Commission had no contributions. Active members receiving benefits have required monthly contributions of:

Coverage Type	Rate
Single	\$ 66.26
Single + One	149.06
Single + Two	196.40
Family	231.78

The current funding policy of the Commission is to pay on a pay-as-you-go basis.

Annual OPEB cost and net OPEB obligation: The Commission's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance to the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actuarially contributed to the plan and changes in the Commission's annual OPEB obligation:

Annual required contribution	\$ 45,313
Interest on OPEB	13,131
Adjustments to ARC	(10,943)
Annual OPEB costs	47,501
Contributions and payments made	-
Increase in net OPEB obligation	47,501
Net OPEB obligation - July 1, 2014	328,273
Net OPEB obligation - June 30, 2015	\$ 375,774

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 10. Other Postemployment Benefits (Continued)

The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for 2015 and the two preceding years follows.

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 82,895	- %	\$ 281,086
June 30, 2014	47,187	-	328,273
June 30, 2015	47,501	-	375,774

Funded status and funding progress: As of June 30, 2013, the most recent valuation date, the plan was 0 percent funded. The actuarial accrued liability for benefits was \$446,664 and the actuarial value of assets is none resulting in an unfunded actuarial accrued liability (UAAL) of \$446,664. The covered payroll (annual payroll of active employees covered by the plan) was \$1,108,212 and the ratio of the UAAL to the covered payroll was 40.3 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents only the initial year trend information.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and included in the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, entry age method was used. The actuarial assumptions included a 4 percent investment rate of return, which includes a 3 percent inflation assumption, and a healthcare inflation rate of 8 percent with an ultimate rate of 6 percent. The UAAL is being amortized as a level percentage of projected pay on an open basis. The amortization of UAAL is over a period of 30 years.

#### Note 11. Current and Pending Pronouncements

The Commission adopted the following statements during the year ended June 30, 2015:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, issued June 2012. This Statement revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 11. Current and Pending Pronouncements (Continued)

The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, issued January 2014. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68*, issued November 2014. This Statement amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The implementation of the above statements did not have a material impact to the Commission's financial statements. As of June 30, 2015, GASB had issued several statements not yet required to be implemented by the Commission. The Statements which might impact the Commission are as follows:

GASB Statement No. 72, *Fair Value Measurement and Application*, issued February 2015, will be effective for the Commission beginning with its year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, issued June 2015, will be effective for the Commission beginning with its year ending June 30, 2016. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued June 2015, will be effective for the Commission beginning with its year ending June 30, 2017. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

## Bi-State Regional Commission

### Notes to Basic Financial Statements

---

#### Note 11. Current and Pending Pronouncements (Continued)

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, issued June 2015, will be effective for the Commission beginning with its year ending June 30, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, issued June 2015, will be effective for the Commission beginning with its year ending June 30, 2016. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

The Commission’s management has not yet determined the effect these GASB Statements will have on the Commission’s financial statements.

**Bi-State Regional Commission**

**Required Supplementary Information  
Other Postemployment Benefit Plan**

SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Net Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2011	6/30/10	\$ -	\$ 715,513	\$ 715,513	0%	\$ 1,022,977	69.9%
2012	6/30/10	-	715,513	715,513	0%	1,017,539	70.3%
2013	6/30/13	-	446,664	446,664	0%	1,059,933	42.1%
2014	6/30/13	-	446,664	446,664	0%	1,105,717	40.4%
2015	6/30/13	-	446,664	446,664	0%	1,108,212	40.3%

Note: Fiscal year 2010 is the transition year for GASB Statement No. 45

The information presented in the required supplementary schedules was determined as part of the actuarial valuation date as of June 30, 2013. Additional information follows:

- a. The cost method used to determine the ARC is the Entry Age Actuarial Cost method.
- b. There are no plan assets.
- c. The actuarial assumptions included: 1) 4 percent investment rate of return with an inflation assumption of 3 percent and 2) a healthcare inflation rate of 8 percent with an ultimate rate of 6 percent.
- d. The amortization method is level percentage of pay on an open basis.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Bi-State Regional Commission**

**Due From Other Governments**

**June 30, 2015**

Source	Project	Period	Project Amount
Illinois Department of Transportation	Transportation PL & SMAP	14-15	\$ 40,523
Illinois Department of Transportation	Federal Transit & SMAP	14-15	41,826
Illinois Department of Transportation	Freight Study	14-15	117,358
Illinois Department of Transportation	Travel Demand Capabilities	14-15	31,916
Illinois Department of Transportation	Federal Transit Non Urban HSTP/Mobility	14-15	10,985
Iowa Department of Transportation	Transportation PL & Federal Transit	14-15	42,289
Iowa Department of Transportation	Regional Transit	14-15	11,366
Iowa Department of Transportation	ICAAP - Make Outdoor Air Visible	14-15	12,316
Economic Development Administration	Investing in Manufacturing Comm.	14-15	8,631
Economic Development Administration	Rural Jobs Accelerator	14-15	39,299
Economic Development Administration	Technical Assistance	14-15	15,729
Emergency Telephone System Board of Rock Island County	Local Programs	14-15	56,737
City of Bettendorf	Transit Planner	14-15	11,376
City of Davenport	Transit Planner	14-15	1,641
City of Moline	Local Programs	14-15	12,099
Village of Port Byron	Local Programs	14-15	4,505
City of Rock Island	Local Programs	14-15	5,472
City of Silvis	Local Programs	14-15	3,300
City of Wilton	Local Programs	14-15	2,200
Henry County	Local Programs	14-15	5,620
Muscatine County	Hazard Mitigation Plan	14-15	1,841
Rock Island County	Local Programs	14-15	71,566
Rock Island County Waste Management Agency	Local Programs	14-15	2,907
Scott County Decategorization Program	Financial Management	14-15	34,526
Scott County Housing Council	Financial Management	14-15	4,020
United States Department of Agriculture	Rural Jobs Accelerator	14-15	7,752
Various under \$1,000 each and accrued at year-end	Various	14-15	17,747
			\$ 615,547

**Bi-State Regional Commission**

**Schedule of Indirect Costs**

**Year Ended June 30, 2015**

	Budget	Actual
Indirect labor costs, general administration	\$ 209,042	\$ 213,464
Indirect nonlabor costs:		
Supplies and materials	6,500	6,778
Postage	12,000	9,106
Telephone	5,000	5,773
Printing and technical reproduction	2,500	(1,478)
Equipment maintenance	12,049	9,354
Rent	55,421	55,421
Travel, conferences and registration fees	2,500	1,791
Automobile expense	4,500	3,390
Equipment, furniture and fixtures	3,000	2,846
Legal, accounting and other professional fees	23,000	21,368
Library subscriptions	3,558	3,146
Memberships and dues	625	650
Insurance and bonding	13,000	11,282
Use allowance	23,000	20,466
Recruiting	600	-
Miscellaneous	400	250
<b>Total indirect nonlabor costs</b>	<b>167,653</b>	<b>150,143</b>
<b>Total indirect costs</b>	<b>\$ 376,695</b>	<b>363,607</b>
Indirect cost allocation (at a rate of 35%)		476,187
(Over) allocated indirect costs, current year		(112,580)
Total (over) allocated, prior years		(36,276)
<b>Included in accrued expenses</b>		<b>\$ (148,856)</b>

**Bi-State Regional Commission**

**Schedule of Fringe Benefits**

**Year Ended June 30, 2015**

---

	Budget	Actual
Vacation earned	\$ 111,452	112,548
Sick pay taken	40,868	47,844
FICA	98,344	94,004
Unemployment	1,986	1,786
Health insurance	200,436	170,407
Retirement	120,298	106,768
Life and LTD insurance	13,902	10,751
Auto allowance	5,040	5,040
Educational reimbursement	3,000	5,935
<b>Total fringe benefits</b>	<b>\$ 595,326</b>	<b>555,083</b>
Fringe benefit allocation (at a rate of 48%)		531,942
(Over) under allocated fringe benefits		23,141
Total (over) under allocated, prior years		4,334
<b>Included in prepaid items</b>		<b>\$ 27,475</b>

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

Primary Grantor Agency	Illinois Department	
	Federal Transit Nonurban Area Formula Grant	
Fund Title		
Project Period	Year Ended June 30, 2015	Cumulative
Revenue, general support	\$ -	\$ -
Revenue, state grants & support	-	-
Revenue, federal grants administered by state	31,904	58,194
<b>Total revenue</b>	<u>31,904</u>	<u>58,194</u>
Expenditures:		
Salaries	15,356	27,969
Fringe benefits	7,371	13,161
Printing	675	1,270
Travel and conference	547	663
Indirect costs	7,955	14,869
Miscellaneous	-	262
<b>Total expenditures</b>	<u>31,904</u>	<u>58,194</u>
<b>Revenue over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>
Participation in costs by primary grantor		100%
Grant contract		<u>\$ 114,676</u>
Grant participation permissible		\$ 58,194
Grant funds received		50,051
Grant funds not yet received		8,143
<b>Grant funds returned</b>		<u>\$ -</u>
Status		Complete
Grant contract		
Grant participation permissible		
Grant funds received		
Grant funds not yet received		
<b>Grant funds returned</b>		
Status		

of Transportation

Highway Planning and Construction		Federal Transit Technical Study	
Year Ended June 30, 2015		Year Ended June 30, 2015	
\$	34,451	\$	84
	34,448		18,557
	275,596		74,226
	344,495		92,867

	167,128		45,688
	80,222		21,930
	2,686		240
	3,491		672
	86,572		23,667
	4,396		670
	344,495		92,867

\$ - \$ -

80% 80%

\$ 275,853 \$ 74,226

\$ 275,596 \$ 74,226  
239,575 50,957  
36,021 23,269

\$ - \$ -

Complete Complete

10% 20%

\$ 34,481 \$ 18,557

\$ 34,448 \$ 18,557  
29,946 -  
4,502 18,557

\$ - \$ -

Complete Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

Primary Grantor Agency	Illinois & Iowa Departments of Transportation	
	Freight Commodity	
	Study	Enhance Travel
	Year Ended June 30, 2015	Year Ended June 30, 2015
Fund Title		
Project Period		
Revenue, general support	\$ -	\$ -
Revenue, state grants & support	92,841	9,927
Revenue, federal grants administered by state	171,364	39,709
<b>Total revenue</b>	<b>264,205</b>	<b>49,636</b>
Expenditures:		
Salaries	-	-
Fringe benefits	-	-
Printing	-	-
Travel and conference	-	-
Indirect costs	-	-
Consultant	264,205	49,636
Miscellaneous	-	-
<b>Total expenditures</b>	<b>264,205</b>	<b>49,636</b>
<b>Revenue over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>
Participation in costs by primary grantor	67%	
Grant contract	<u>\$ 250,000</u>	
Grant participation permissible	\$ 171,364	
Grant funds received	77,478	
Grant funds not yet received	93,886	
<b>Grant funds returned</b>	<u>\$ -</u>	
Status	Incomplete	
Participation in costs by primary grantor	17%	
Grant contract	<u>\$ 50,000</u>	
Grant participation permissible	\$ 42,841	
Grant funds received	19,370	
Grant funds not yet received	23,471	
<b>Grant funds returned</b>	<u>\$ -</u>	
Status	Incomplete	
Participation in costs by primary grantor	16%	
Grant contract	<u>\$ 50,000</u>	
Grant participation permissible	\$ 50,000	
Grant funds received	50,000	
Grant funds not yet received	-	
<b>Grant funds returned</b>	<u>\$ -</u>	
Status	Complete	

Illinois Department of Transportation

Demand Capabilities	Henry County Comp Plan		Enhance Travel Demand Capabilities	
Cumulative	Year Ended June 30, 2015	Cumulative	Year Ended June 30, 2015	
\$ 32	\$ 174	\$ 174	\$ -	
29,913	5,655	37,579	31,916	
119,654	-	-	-	
149,599	5,829	37,753	31,916	
28,300	2,772	18,525	14,814	
12,885	1,330	8,569	7,111	
120	254	446	2	
6,979	-	-	2,315	
14,786	1,436	10,125	7,674	
86,068	-	-	-	
461	37	88	-	
149,599	5,829	37,753	31,916	
\$ -	\$ -	\$ -	\$ -	
80%		100%	100%	
\$ 120,000		\$ 37,579	\$ 60,000	
\$ 119,654		\$ 37,579	\$ 31,916	
119,654		37,579	-	
-		-	31,916	
\$ -		\$ -	\$ -	
Complete		Complete	Incomplete	
20%				
\$ 30,000				
\$ 29,913				
29,913				
-				
\$ -				
Complete				

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

Primary Grantor Agency	Iowa	
Fund Title	Highway Planning and Construction	Federal Transit Technical Study
Project Period	Year Ended June 30, 2015	Year Ended June 30, 2015
Revenue, general support	\$ 61,973	\$ 13,335
Revenue, federal grants administered by state	247,887	52,824
<b>Total revenue</b>	<b>309,860</b>	<b>66,159</b>
Expenditures:		
Salaries	149,725	32,749
Fringe benefits	71,868	15,720
Printing	2,488	65
Travel and conference	4,731	(9)
Indirect costs	77,558	16,964
Direct program costs	-	-
Miscellaneous	3,490	670
<b>Total expenditures</b>	<b>309,860</b>	<b>66,159</b>
<b>Revenue over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>
Participation in costs by primary grantor	80%	80%
Grant contract	\$ 272,035	\$ 52,824
Grant participation permissible	\$ 247,887	\$ 52,824
Grant funds received	212,994	45,428
Grant funds not yet received	34,893	7,396
<b>Grant funds returned</b>	<b>\$ -</b>	<b>\$ -</b>
Status	Complete	Complete

---

Department of Transportation

---

Intermodal  
 Transportation For Nonurbanized Areas      Clean Air Attainment Program Outdoor Air Visible

---

Year Ended June 30, 2015	Year Ended June 30, 2015	Cumulative
\$ 12,462	\$ 3,451	\$ 10,372
49,844	12,317	40,000
62,306	15,768	50,372
30,526	2,880	16,568
14,652	1,382	7,578
309	76	212
967	-	8
15,812	1,492	8,397
-	9,938	17,609
40	-	-
62,306	15,768	50,372
\$ -	\$ -	\$ -

80%

80%

\$ 49,844	\$ 40,000
\$ 49,844	\$ 40,000
38,478	27,684
11,366	12,316
\$ -	\$ -

Complete

Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

Primary Grantor Agency	Local Government	
	Local Technical Services	General Local Support
Fund Title	Year Ended June 30, 2015	Year Ended June 30, 2015
Revenue, general support	\$ 10,075	\$ 184,992
Revenue, state grants & support	556	-
Local	198,745	102,796
Other	-	557
<b>Total revenue</b>	<b>209,376</b>	<b>288,345</b>
Expenditures:		
Salaries	103,768	79,833
Fringe benefits	49,808	38,320
Printing	695	9,930
Travel and conference	106	9,085
Indirect costs	53,752	41,354
Consultant	600	101,000
Direct program costs	-	193,973
Miscellaneous	647	5,555
<b>Total expenditures</b>	<b>209,376</b>	<b>479,050</b>
<b>Revenue over (under) expenditures</b>	<b>\$ -</b>	<b>\$ (190,705)</b>
Status	Complete	Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	Iowa Department of Economic Development
Fund Title	COG Technical
Project Period	Year Ended June 30, 2015
Revenue, general support	\$ 3
Revenue, state grants and support	11,765
<b>Total revenue</b>	<u>11,768</u>
Expenditures:	
Salaries	5,857
Fringe benefits	2,812
Printing	25
Indirect costs	3,034
Miscellaneous	40
<b>Total expenditures</b>	<u>11,768</u>
<b>Revenue over expenditures</b>	<u>\$ -</u>
Participation in costs by primary grantor	100%
Grant contract	<u>\$ 11,765</u>
Grant participation permissible	\$ 11,765
Grant funds received	11,765
Grant funds not yet received	-
<b>Grant funds returned</b>	<u>\$ -</u>
Status	Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	Economic	
Fund Title	Planning Assistance	Investing in
Project Period	Year Ended June 30, 2015	Year Ended June 30, 2015
Revenue, general support	\$ 58,202	\$ 18
Revenue, federal grants	58,200	8,631
Revenue, local	-	8,631
<b>Total revenue</b>	116,402	17,280
Expenditures:		
Salaries	47,966	2,850
Fringe benefits	23,024	1,368
Printing	2,175	1
Travel and conference	3,085	28
Indirect costs	24,846	1,476
Consultant	123	8,581
Direct program costs	-	2,976
Miscellaneous	15,183	-
<b>Total expenditures</b>	116,402	17,280
<b>Revenue over expenditures</b>	\$ -	\$ -
Participation in costs by primary grantor	50%	
Grant contract	\$ 169,884	
Grant participation permissible	\$ 58,200	
Grant funds received	42,471	
Grant funds not yet received	15,729	
<b>Grant funds returned</b>	\$ -	
Status	Incomplete	

Development Administration

Rural Housing Service

Manufacturing Communities

Rural Jobs Accelerator

Cumulative	Year Ended June 30, 2015	Cumulative	Year Ended June 30, 2015	Cumulative
\$ 18	\$ 32	\$ -	\$ -	\$ -
160,989	39,299	97,048	24,806	62,207
160,990	39,299	97,048	24,806	62,207
321,997	78,630	194,096	49,612	124,414

7,460	45,512	112,231	17,067	47,872
3,489	21,846	52,095	8,193	22,139
6	9	1,031	-	-
28	2,395	6,665	1,105	3,380
4,034	6,735	16,432	2,526	7,001
304,004	-	-	-	18,025
2,976	876	876	20,000	20,000
-	1,257	4,798	721	5,997
321,997	78,630	194,128	49,612	124,414

\$ -	\$ -	\$ (32)	\$ -	\$ -
------	------	---------	------	------

50%	50%	50%
<u>\$ 162,500</u>	<u>\$ 119,203</u>	<u>\$ 74,297</u>
\$ 160,989	\$ 97,048	\$ 62,207
152,358	57,749	54,455
8,631	39,299	7,752
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Complete

Incomplete

Incomplete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	<u>Local Government</u>
Fund Title	<u>Municipal Code Enforcement System</u>
Project Period	<u>Year Ended June 30, 2015</u>
Revenue, local	<u>\$ 381,764</u>
Expenditures:	
Salaries	70,267
Fringe benefits	33,728
Printing	1,426
Travel	216
Indirect costs	36,399
Consultant	40,964
Miscellaneous	2,810
<b>Total expenditures</b>	<u>185,810</u>
<b>Revenue over expenditures</b>	<u>\$ 195,954</u>
Status	Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

Primary Grantor Agency	Economic Development Administration	
	Bi-State Revolving Loan Fund	Mercer Muscatine Revolving Loan Fund
Fund Title	Year Ended June 30, 2015	Year Ended June 30, 2015
Revenue, federal grants	\$ -	\$ 262,500
Revenue, local	-	102,500
Revenue, program income interest	29,086	5,412
<b>Total revenue</b>	<b>29,086</b>	<b>370,412</b>
Expenditures:		
Salaries	8,256	1,285
Fringe benefits	3,963	617
Printing	36	1
Indirect costs	4,276	666
Bad debts	35,593	-
Miscellaneous	204	35
<b>Total expenditures</b>	<b>52,328</b>	<b>2,604</b>
<b>Revenue over expenditures</b>	<b>\$ (23,242)</b>	<b>\$ 367,808</b>
Status	Incomplete	Incomplete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	<u>Local Government</u>
Fund Title	Rock Island County Waste Management Agency
Project Period	<u>Year Ended June 30, 2015</u>
Revenue, local	<u>\$ 44,453</u>
Expenditures:	
Salaries	21,796
Fringe benefits	10,462
Printing	124
Travel and conference	709
Indirect costs	11,290
Miscellaneous	72
<b>Total expenditures</b>	<u>44,453</u>
<b>Revenue over expenditures</b>	<u><u>\$ -</u></u>
Status	Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	<u>Federal Transit Administration</u>
Fund Title	<u>Iowa QC Transit Planner</u>
Project Period	<u>Year Ended June 30, 2015</u>
Revenue, federal grants administered by local governments	\$ 84,724
Revenue, local	21,181
<b>Total revenue</b>	<u>105,905</u>
Expenditures:	
Salaries	52,018
Fringe benefits	24,968
Printing	61
Travel and conference	310
Indirect costs	26,945
Direct program costs	1,603
<b>Total expenditures</b>	<u>105,905</u>
<b>Revenue over expenditures</b>	<u>\$ -</u>
Participation in costs by primary grantor	80%
Grant contract	<u>\$ 90,256</u>
Grant participation permissible	\$ 84,724
Grant funds received	73,785
Grant funds not yet received	10,939
<b>Grant funds returned</b>	<u>\$ -</u>
Status	Complete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	<u>Iowa Department of Homeland Security</u>	
Fund Title	<u>Muscatine County Hazard Mitigation Plan</u>	
Project Period	<u>Year Ended June 30, 2015</u>	<u>Cumulative</u>
Revenue:		
Federal grants administered by local governments	<u>\$ 10,425</u>	<u>\$ 41,798</u>
Expenditures:		
Salaries	5,079	21,025
Fringe benefits	2,437	9,623
Printing	-	83
Travel	278	616
Indirect costs	2,631	10,451
<b>Total expenditures</b>	<u>10,425</u>	<u>41,798</u>
<b>Revenue over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>
Participation in costs by primary grantor		100%
Grant contract		<u>\$ 46,750</u>
Grant participation permissible		\$ 41,798
Grant funds received		39,957
Grant funds not yet received		1,841
<b>Grant funds returned</b>		<u>\$ -</u>
Status		Incomplete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	<u>Illinois Department of Emergency Management</u>
Fund Title	<u>Rock Island County Hazard Mitigation Plan</u>
Project Period	<u>Year Ended June 30, 2015</u>
Revenue:	
Federal grants administered by local governments	<u>\$          52,279</u>
Expenditures:	
Salaries	26,014
Fringe benefits	12,487
Printing	251
Travel	52
Indirect costs	13,475
<b>Total expenditures</b>	<u>52,279</u>
<b>Revenue over expenditures</b>	<u>\$          -</u>
Participation in costs by primary grantor	100%
Grant contract	<u>\$          60,000</u>
Grant participation permissible	\$          52,279
Grant funds received	17,896
Grant funds not yet received	34,383
<b>Grant funds returned</b>	<u>\$          -</u>
Status	Incomplete

**Bi-State Regional Commission**

**Schedules of Revenues and Expenses and Computation of  
Grantor Participation on Completed Projects  
Year Ended June 30, 2015**

---

Primary Grantor Agency	<u>Center for Disease Control</u>
Fund Title	<u>Safe Route to Schools and Trails Website</u>
Project Period	<u>Year Ended June 30, 2015</u>
Revenue:	
Federal grants administered by local governments	<u>\$          29,603</u>
Expenditures:	
Salaries	14,773
Fringe benefits	7,091
Printing	87
Indirect costs	<u>7,652</u>
<b>Total expenditures</b>	<u>29,603</u>
<b>Revenue over expenditures</b>	<u><u>\$          -</u></u>
Participation in costs by primary grantor	100%
Grant contract	<u><u>\$         145,244</u></u>
Grant participation permissible	\$          29,604
Grant funds received	-
Grant funds not yet received	<u>29,604</u>
<b>Grant funds returned</b>	<u><u>\$          -</u></u>
Status	Incomplete

**Bi-State Regional Commission**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor/Program Title	Contract or Pass-Through Entity Identifying Number	Catalog of Federal Domestic Assistance Number	Expenditures
<b>United States Department of Commerce</b>			
Direct:			
Economic Development Administration:			
Support for Planning Organizations	06-83-05694	11.302	\$ 58,200
Economic Adjustment Assistance	06-39-02167-02	11.307	1,183,207
Economic Adjustment Assistance	06-79-05507	11.307	380,357
Economic Adjustment Assistance	06-79-05769	11.307	39,299
Economic Adjustment Assistance	06-69-05854	11.307	8,631
<b>Total United States Department of Commerce</b>			1,669,694
<b>United States Department of Transportation</b>			
Passed through:			
Illinois Department of Transportation:			
Highway Planning and Construction Program	PL-FTA-15	20.205	275,596
Federal Transit Technical Study Program	PL-FTA-15	20.505	74,226
Public Transportation for Non Urban Area Formula Grant	13BOB148	20.509	31,904
Highway Planning and Construction Program	13BOB18	20.205	39,709
Highway Planning and Construction Program	157510301	20.205	171,364
City of Bettendorf, Federal Transit	N/A	20.507	84,724
Iowa Department of Transportation:			
Highway Planning and Construction Program	15-MPO-BSRC	20.205	247,887
Federal Transit Technical Study Program	15-MPO-BSRC	20.505	52,824
Intermodal Transportation for Nonurbanized Areas	15-RPA-09	20.505	49,844
Highway Planning and Construction Program	2011-ICAAP-003	20.205	12,316
<b>Total United States Department of Transportation</b>			1,040,394
<b>Federal Emergency Management Agency</b>			
Passed through:			
Iowa Department of Homeland Security			
Muscatine County, Pre-Diaster Mitigation Program	DR-4018-0003-01	97.039	10,425
Illinois Department of Emergency Management			
Rock Island County, Pre-Diaster Mitigation Program	DR-4116-IL	97.039	52,279
<b>Total Federal Emergency Management Agency</b>			62,704
<b>United States Department of Agriculture</b>			
Direct:			
Rural Housing Service			
Rural Community Development Initiative	13-081-0057840795	10.446	24,806
<b>Total United States Department of Agriculture</b>			24,806
<b>Department of Health &amp; Human Services</b>			
Passed through:			
Center for Disease Control & Prevention, Unity Point Health, Partnership to Improve Community Health			
	U58DP005680	93.331	29,604
<b>Total Expenditures of Federal Awards</b>			\$ 2,827,202

See Notes to Schedule of Expenditures of Federal Awards

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Bi-State Regional Commission

### Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2015

---

#### Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (schedule) includes the federal grant activity of the Commission under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position or cash flows of the entity.

#### Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue from federal awards is recognized when the Commission has done everything necessary to establish its right to the revenue. Pass-through entity identifying numbers are presented where available.

#### Note 3. Noncash Assistance and Loans Outstanding

The Commission had \$1,053,206 of loan balances outstanding as of June 30, 2015 related to the EDA Revolving Loan Fund (CFDA 11.307). The current year \$1,563,564 EDA Revolving Loan Fund (CFDA 11.307) expenditures, disclosed in the schedule of expenditures of federal awards, constituted 62 percent of the combined EDA Revolving Loan Fund of June 30, 2015 outstanding loan balances, June 30, 2015 cash and investment balances and June 30, 2015 administrative expenses of \$2,531,643.

#### Note 4. Subrecipients

Of the federal expenditures presented in the schedule, the Commission provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
---------------	------------------------	---------------------------------------

---

None

**Bi-State Regional Commission**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2015**

---

Finding	Status	Corrective Action Plan or Other Explanation
---------	--------	--

---

None reported.



**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 Commissioners  
Bi-State Regional Commission  
Rock Island, 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 basic financial statements of the Bi-State Regional Commission and have issued our report thereon dated December 4, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bi-State Regional Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bi-State Regional Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Bi-State Regional Commission'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 Bi-State Regional Commission'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 Bi-State Regional Commission'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 Bi-State Regional Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bohnsack & Frommelt LLP*

Taylor Ridge, Illinois  
December 4, 2015



**Independent Auditor's Report on Compliance For  
Each Major Federal Program and On Internal Control  
Over Compliance in Accordance with OMB Circular A-133**

To the Commissioners  
Bi-State Regional Commission  
Rock Island, Illinois

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

We have audited Bi-State Regional Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Bi-State Regional Commission's major federal programs for the year ended June 30, 2015. Bi-State Regional Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

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

## Report on Internal Control Over Compliance

Management of Bi-State Regional Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Bi-State Regional Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bi-State Regional Commission's internal control over compliance.

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

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

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

*Bohnsack & Frommelt LLP*

Taylor Ridge, Illinois  
December 4, 2015

**Bi-State Regional Commission**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2015**

---

**Part I: Summary of the Independent Auditor's Results**

- a) Unmodified opinions were issued on the financial statements.
- b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- c) The audit did not disclose any noncompliance which is material to the financial statements.
- d) There were no significant deficiencies in internal control over major programs.
- e) Unmodified opinions were issued on compliance with requirements applicable to each major program.
- f) There were no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- g) Major programs were as follows:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Program

- h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- i) Bi-State Regional Commission qualified as a low-risk auditee.

(Continued)

**Bi-State Regional Commission**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2015**

---

**II. Findings Relating to the Basic Financial Statements**

**A. Internal Control**

No matters reported.

**B. Instances of Noncompliance**

No matters reported.

**III. Findings and Questioned Costs for Federal Awards**

**A. Internal Control for Federal Awards**

No matters reported.

**B. Instances of Noncompliance**

No matters reported