

SIOUXLAND INTERSTATE METROPOLITAN
PLANNING COUNCIL

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2015

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 9
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11 - 12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13 - 14
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	15 - 16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Net Position - Agency Funds	18
Balance Sheets - Discretely Presented Component Units	19
Statements of Revenues, Expenditures and Changes in Fund Balances - Discretely Presented Component Units	20
Notes to Financial Statements	21 - 33
Supplementary Information: <u>Schedule</u>	
Schedule of Metropolitan and Regional Planning Grants	1 34
Schedule of Expenditures of Federal Awards	2 35 - 36
Note to Schedule of Expenditures of Federal Awards	37
Single Audit Section:	
Independent Auditors' 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	38 - 39
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 ..	40 - 41
Schedule of Findings and Questioned Costs	42 - 43



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Siouxland Interstate Metropolitan Planning Council (the Council), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Council'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.

Auditors' Responsibility

Our responsibility is to express opinions 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Siouxland Interstate Metropolitan Planning Council, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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 opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of metropolitan and regional planning grants is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.



The schedule of metropolitan and regional planning grants and the 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 schedule of metropolitan and regional planning grants and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2016, on our consideration of Siouxland Interstate Metropolitan Planning Council'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 Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting and compliance.

Sioux City, Iowa
January 11, 2016

King, Heinsch, Prosser & Co., L.L.P.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

is Action

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Siouxland Interstate Metropolitan Planning Council (the Council) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the financial statements, which follow.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

- Revenues of the Council's governmental activities increased 27 percent, or approximately \$365,000 from fiscal year 2014 to fiscal year 2015.
- Program expenses of the Council's governmental activities increased by 32.5 percent, or approximately \$419,000, from fiscal year 2014 to fiscal year 2015.
- The Council's net position increased by approximately \$16,000, from June 30, 2014 to June 30, 2015.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of management's discussion and analysis (this section), the basic financial statements, and supplementary information.

Basic Financial Statements

The basic financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

Government-Wide Financial Statements

The government-wide statements provide a broad view of the Council's financial activity. These financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. The government-wide financial statements consist of a statement of net position and a statement of activities. All of the current year's revenues and expenses are accounted for regardless of when cash is received or paid.

The *Statement of Net Position* includes all assets, liabilities, and deferred inflows of resources, with the difference between the two reported as "net position". Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The government-wide financial statements are divided into two categories:

- *Governmental Activities* - All of the Council's services are reported in this category. The services are general government, transportation planning, community and economic development, housing rehabilitation, and emergency planning. Federal and state grants along with contract services and membership dues finance most of these activities.
- *Component Units* - These are operations that are legally separate from the Council, but for which the Council has determined it would be misleading to exclude from the Council's financial statements based on the nature and significance of their relationship with the Council. The Council's discretely presented component units are:
 - Siouxland Regional Transit System (Governmental Activity)
 - Tri-State Graduate Center (Governmental Activity)
 - Northeast Nebraska Joint Housing Agency (Governmental Activity)

Additional information about the Council's component units is presented in the Notes to the Financial Statements.

Fund Financial Statements

The fund financial statements provide detailed information about the Council, focusing on its most significant or "major" funds. The Council has two types of funds 1) Governmental Funds and 2) Fiduciary Funds.

Governmental funds focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include the General Fund and the Special Revenue Funds. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of operations. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. All of the Council's governmental funds are major funds.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Fiduciary funds account for resources held for the benefit of parties outside the Council. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Council's programs. The Council is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The required financial statement is a Statement of Fiduciary Net Position - Agency Funds.

Discretely Presented Component Units

The fund financial statements of the component units are presented because they do not issue their own separate financial statements. Siouxland Regional Transit System, Tri-State Graduate Center, and Northeast Nebraska Joint Housing Agency each have only a General Fund.

Reconciliations between the government-wide financial statements and the fund financial statements are included on or follow the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the basic financial statements.

Supplementary Information

Supplementary information provides detailed information about certain grants. In addition, the schedule of expenditures of federal awards provides details of various federal programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Council's net position totaled \$720,566 at June 30, 2015, compared to \$704,777 at June 30, 2014 as indicated below.

	<u>Governmental Activities</u>	
	<u>Net Position</u>	
	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 1,110,021	\$ 1,111,384
Capital Assets	<u>24,096</u>	<u>15,196</u>
Total Assets	\$ 1,134,117	\$ 1,126,580
Long-Term Liabilities	\$ 55,037	\$ 55,530
Other Liabilities	<u>355,764</u>	<u>362,073</u>
Total Liabilities	\$ 410,801	\$ 417,603
Deferred Inflows of Resources	\$ 2,750	\$ 4,200
Net Position:		
Net Investment in Capital Assets	\$ 24,096	\$ 15,196
Restricted	93,160	68,527
Unrestricted	<u>603,310</u>	<u>621,054</u>
Total Net Position	\$ <u>720,566</u>	\$ <u>704,777</u>

The restricted net position represents resources subject to external restrictions. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is approximately \$603,000 at the end of this year.

The Council's net position increased by \$15,789 during the year as indicated below.

	<u>Governmental Activities</u>	
	Changes in Net Position	
	For the Year Ended June 30,	
	<u>2015</u>	<u>2014</u>
Program Revenues:		
Charges for Services	\$ 1,098,922	\$ 769,046
Operating Grants and Contributions	621,553	586,105
General Revenues:		
Interest	<u>220</u>	<u>240</u>
Total Revenues	\$ <u>1,720,695</u>	\$ <u>1,355,391</u>
Program Expenses:		
General Government	\$ 163,715	\$ 101,155
Transportation Planning	414,463	422,127
Community and Economic Development	189,738	541,089
Housing Rehabilitation	851,523	134,480
Emergency Planning	<u>85,467</u>	<u>87,456</u>
Total Expenses	\$ <u>1,704,906</u>	\$ <u>1,286,307</u>
Change in Net Position	\$ 15,789	\$ 69,084
Net Position, Beginning of Year	<u>704,777</u>	<u>635,693</u>
Net Position, End of Year	\$ <u><u>720,566</u></u>	\$ <u><u>704,777</u></u>

The Council's revenues increased approximately \$365,000 from the prior year, with charges for services increasing approximately \$330,000. Charges for services accounted for 64 percent and operating grants and contributions account for 36 percent of total revenues. The cost of the Council's activities this year was approximately \$1,705,000 compared to approximately \$1,286,000 last year. The increase in revenue and expenses during the year was primarily driven by growth in the Housing Rehabilitation activities of the Council which accounted for 49 percent and 50 percent of total revenues and expenses, respectively, during the year.

INDIVIDUAL MAJOR FUND ANALYSIS

Primary Government Highlights

The Council's fund balance at June 30, 2015, was \$560,582 compared to \$548,280 at June 30, 2014.

- The General Fund had revenues of approximately \$184,000 and \$129,000 in fiscal year 2015 and 2014, respectively. The expenditures were approximately \$167,000 and \$108,000 during fiscal year 2015 and 2014, respectively. Revenues exceeded expenditures by \$17,000 and the Council made net transfers of approximately \$29,000 from the general fund to special revenue funds during 2015. Fund balance decreased from \$479,753 to \$467,422, a decrease of \$12,331.
- The Special Revenue, MPO/RPA Fund had revenues and expenditures of approximately \$414,000 and \$422,000 in fiscal year 2015 and 2014, respectively.

- The Special Revenue, Community and Economic Development (CED) Fund, previously reported as part of the Council's Other Member Projects Fund, had revenues of approximately \$192,000 and \$509,000 in fiscal year 2015 and 2014, respectively. The \$317,000 decrease in revenues is due to a decrease in contract services. The expenditures were approximately \$190,000 and \$541,000 in fiscal year 2015 and 2014, respectively. The CED Fund received net transfers from other funds of \$29,000 during the year, resulting in an increase in fund balance of \$31,818 to \$27,307.
- The Special Revenue, Housing Rehabilitation Fund, previously reported as part of the Council's Other Member Projects Fund, had revenues of approximately \$655,000 and \$63,000 in fiscal year 2015 and 2014, respectively. The \$592,000 increase in revenues is primarily due to an increase in Federal and contract services revenue. The expenditures were approximately \$655,000 and \$63,000 in fiscal year 2015 and 2014, respectively. The Fund received net transfers from other funds of \$70,000 during the year, resulting in an increase in fund balance of \$69,977 to \$69,977.
- The Special Revenue, Housing Trust Fund, previously reported as part of the Council's Other Member Projects Fund, had revenues of approximately \$189,000 and \$144,000 in fiscal year 2015 and 2014, respectively. The expenditures were approximately \$197,000 and \$71,000 in fiscal year 2015 and 2014, respectively. The Fund made net transfers to other funds of \$70,000 during the year, resulting in a decrease in fund balance of \$77,162 to a deficit balance of \$4,124.
- The Special Revenue, Hazmat Fund had revenues and expenditures of approximately \$85,000 and \$87,000 in fiscal year 2015 and 2014, respectively.

Highlights for the Discretely Presented Component Units

Siouxland Regional Transit System

Siouxland Regional Transit System's revenues were approximately \$ 2.76 million and \$2.41 million in fiscal years 2015 and 2014, respectively. The \$284,000 increase in revenues is largely due to increases in State and contract services revenues. The expenditures were approximately \$2.40 million and \$2.41 million in fiscal year 2015 and 2014, respectively. Fund balance increased by \$370,662, to \$714,196 at June 30, 2015.

Tri-State Graduate Center

The revenues for Tri-State Graduate Center had just \$4,000 and \$40,000 of expenditures in fiscal years 2015 and 2014, respectively. The Center did not have a fund balance and had been closed at the end of fiscal 2015, as a result of the Center's cessation of operations during 2013.

Northeast Nebraska Joint Housing Agency

The revenues for Northeast Nebraska Joint Housing Agency were approximately \$299,000 and \$323,000 in fiscal years 2015 and 2014, respectively. Expenditures were approximately \$306,000 and \$316,000 in fiscal years 2015 and 2014, respectively. Fund balance at June 30, 2015, decreased by \$7,343 to \$92,064.

BUDGETARY HIGHLIGHTS

The Council is not legally required to adopt a budget, but does utilize budgets in managing its financial operations internally. Accordingly, a budgetary comparison schedule is not required to be included in the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Council's capital assets consist of equipment (computers, office equipment, and a vehicle) and totaled \$24,096, net of accumulated depreciation at June 30, 2015. Depreciation expense was \$14,716 in fiscal year 2015. More detailed information about capital assets is available in Note 5 to the financial statements.

Long-Term Debt

The Council did not have any outstanding long-term debt at June 30, 2015 or 2014.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Council was unaware of existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Council's citizens, taxpayers, customers, members and creditors with a general overview of the Council's finances and to demonstrate the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact SIMPCO, P.O. Box 1077, Sioux City, Iowa 51102-1077 or email simpco@simpco.org.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF NET POSITION

JUNE 30, 2015

		<u>Component Units</u>		
	<u>Primary Government Governmental Activities</u>	<u>Siouxland Regional Transit System</u>	<u>Tri-State Graduate Center</u>	<u>Northeast Nebraska Joint Housing Agency</u>
<u>ASSETS:</u>				
Current Assets:				
Cash	\$ 631,726	\$ 151,659		\$ 88,521
Accounts Receivable	18,670	72,916		
Due from Primary Government - Note 4		56,861		
Due from Component Units - Note 4	5,344			
Due from Other Governments:				
Federal		3,433		11,932
State	99,252	381,458		
Local	134,813	194,396		
Prepaid Expenses	29,291	2,399		
Restricted Cash - Note 2				<u>42,654</u>
Total Current Assets	<u>\$ 919,096</u>	<u>\$ 863,122</u>	-	<u>\$ 143,107</u>
Noncurrent Assets:				
Investment in Siouxland Planning and Transit Services, L.L.C. - Note 6	\$ 190,925	\$ 116,576		
Capital Assets, Net of Accumulated Depreciation - Note 5	<u>24,096</u>	<u>669,791</u>		
Total Noncurrent Assets	<u>\$ 215,021</u>	<u>\$ 786,367</u>	-	-
Total Assets	<u>\$ 1,134,117</u>	<u>\$ 1,649,489</u>	-	<u>\$ 143,107</u>
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	\$ 57,524	\$ 93,318		\$ 936
Accrued Wages and Benefits	38,606	55,358		2,109
Due to Agency Fund	139,400			
Due to Component Units - Note 4	56,861			
Due to Primary Government - Note 4				5,344
Tenant Escrow				42,654
Grant Advances	<u>63,373</u>	<u>250</u>		
Total Current Liabilities	<u>\$ 355,764</u>	<u>\$ 148,926</u>	-	<u>\$ 51,043</u>
Noncurrent Liabilities - Note 7:				
Compensated Absences	<u>\$ 55,037</u>	<u>\$ 21,475</u>		
Total Noncurrent Liabilities	<u>\$ 55,037</u>	<u>\$ 21,475</u>	-	-
Total Liabilities	<u>\$ 410,801</u>	<u>\$ 170,401</u>	-	<u>\$ 51,043</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Unavailable Revenue	<u>\$ 2,750</u>			
Total Deferred Inflows of Resources	<u>\$ 2,750</u>	-	-	-
<u>NET POSITION:</u>				
Net Investment in Capital Assets	\$ 24,096	\$ 669,791		
Restricted - Note 8	93,160			\$ 92,064
Unrestricted	<u>603,310</u>	<u>809,297</u>		
Total Net Position	<u>\$ 720,566</u>	<u>\$ 1,479,088</u>	-	<u>\$ 92,064</u>

See Accompanying Notes to Financial Statements

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

<u>FUNCTIONS/PROGRAMS</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 163,715	\$ 183,985		
Transportation Planning	414,463	85,556	\$ 328,907	
Community and Economic Development	189,738	94,993	97,229	
Housing Rehabilitation	851,523	670,493	173,845	
Emergency Planning	<u>85,467</u>	<u>63,895</u>	<u>21,572</u>	<u> </u>
Total Governmental Activities	\$ <u>1,704,906</u>	\$ <u>1,098,922</u>	\$ <u>621,553</u>	<u> -</u>
Components Units:				
Governmental Activities:				
Siouxland Regional Transit System	\$ <u>2,798,451</u>	\$ <u>1,328,490</u>	\$ <u>1,437,446</u>	<u> -</u>
Tri-State Graduate Center	\$ <u>4,476</u>	<u> -</u>	<u> -</u>	<u> -</u>
Northeast Nebraska Joint Housing Agency	\$ <u>306,492</u>	<u> -</u>	\$ <u>299,081</u>	<u> -</u>

GENERAL REVENUES

Interest

Total General Revenues

Change in Net Position

Net Position, Beginning of Year (as Restated)

Net Position, End of Year

Net (Expense) Revenue and Changes in Net Position

<u>Primary Governmental Activities</u>	<u>Component Units</u>		
	<u>Siouxland Regional Transit System</u>	<u>Tri-State Graduate Center</u>	<u>Northeast Nebraska Joint Housing Agency</u>

\$ 20,270
-
2,484
(7,185)
-
\$ 15,569

\$(32,515)

\$(4,476)

\$(7,411)

\$ <u>220</u>	\$ <u>125</u>	<u>-</u>	\$ <u>68</u>
\$ <u>220</u>	\$ <u>125</u>	<u>-</u>	\$ <u>68</u>
\$ 15,789	\$(32,390)	\$(4,476)	\$(7,343)
<u>704,777</u>	<u>1,511,478</u>	<u>4,476</u>	<u>99,407</u>
\$ <u>720,566</u>	\$ <u>1,479,088</u>	<u>-</u>	\$ <u>92,064</u>

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General</u>	<u>Special Revenue</u>			
		<u>MPO/RPA Fund</u>	<u>Community and Economic Development Fund</u>	<u>Housing Rehabilitation Fund</u>	<u>Housing Trust Fund</u>
ASSETS					
Cash	\$ 602,855		\$ 28,871		
Accounts Receivable	865			\$ 17,805	
Interfund Balance - Note 3	93,072		4,435	30,377	
Due from Component Units - Note 4	5,344				
Due from Other Governments:					
State		\$ 85,236		4,477	
Local	3,332	1,824	58,424	60,614	
Prepaid Expenditures	<u>29,291</u>				
Total Assets	\$ <u>734,759</u>	\$ <u>87,060</u>	\$ <u>91,730</u>	\$ <u>113,273</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 16,142	\$ 457	\$ 11,845	\$ 19,541	
Interfund Balance - Note 3	30,688	77,442	8,718		\$ 4,124
Due to Agency Fund	139,400				
Due to Component Units - Note 4	56,861				
Accrued Wages and Benefits	21,496	8,425	6,906	1,779	
Grant Advances		<u>736</u>	<u>36,954</u>	<u>21,976</u>	
Total Liabilities	\$ 264,587	\$ 87,060	\$ 64,423	\$ 43,296	\$ 4,124
Deferred Inflows of Resources:					
Unavailable Revenue	\$ <u>2,750</u>	-			
Total Deferred Inflows of Resources	\$ 2,750	-	-	-	-
Fund Balances:					
Nonspendable	\$ 29,291				
Restricted - Note 8			\$ 27,307	\$ 69,977	\$(4,124)
Assigned for Employee Benefits	272,809				
Unassigned	<u>165,322</u>				
Total Fund Balances	\$ <u>467,422</u>	<u>-</u>	\$ <u>27,307</u>	\$ <u>69,977</u>	\$(<u>4,124</u>)
Total Liabilities, Deferred Inflows, and Fund Balances	\$ <u>734,759</u>	\$ <u>87,060</u>	\$ <u>91,730</u>	\$ <u>113,273</u>	<u>-</u>

Amounts reported for governmental activities in the statement of net position are different because:

- Investment in Siouxland Planning and Transit Services, L.L.C. (not available to pay current expenditures)
- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds
- Compensated absences from the statement of net position are not reported on the modified accrual basis fund balance sheet

Net Position of Governmental Activities (Page 10)

See Accompanying Notes to Financial Statements

<u>Hazmat Fund</u>	<u>Total Governmental Funds</u>
	\$ 631,726
	18,670
	127,884
	5,344
\$ 9,539	99,252
10,619	134,813
	<u>29,291</u>
\$ <u>20,158</u>	\$ <u>1,046,980</u>

\$ 9,539	\$ 57,524
6,912	127,884
	139,400
	56,861
	38,606
<u>3,707</u>	<u>63,373</u>
\$ 20,158	\$ 483,648

<u>-</u>	\$ <u>2,750</u>
-	\$ 2,750

	\$ 29,291
	93,160
	272,809
	<u>165,322</u>
<u>-</u>	\$ <u>560,582</u>
\$ <u>20,158</u>	

\$ 190,925

\$ 24,096

\$(55,037)

\$ 720,566

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Special Revenue</u>			
		<u>MPO/RPA Fund</u>	<u>Community and Economic Development Fund</u>	<u>Housing Rehabilitation Fund</u>	<u>Housing Trust Fund</u>
<u>REVENUES</u>					
Federal Sources		\$ 313,818	\$ 62,000	\$ 32,963	
State Sources		15,089	35,229		\$ 140,882
Local Sources:					
Membership Dues	\$ 20,079	84,710	57,217	2,975	
Support Assessments	7,940		1,385		1,029
Contract Services	151,356	1,088	32,725	615,099	47,424
Interest	207		13		
Miscellaneous	<u>4,610</u>	<u>(242)</u>	<u>3,666</u>	<u>3,966</u>	<u> </u>
Total Revenues	\$ 184,192	\$ 414,463	\$ 192,235	\$ 655,003	\$ 189,335
<u>EXPENDITURES</u>					
Current:					
General Government	\$ 143,586				
Transportation Planning		\$ 414,463			
Community and Economic Development			\$ 189,738		
Housing Rehabilitation				\$ 655,003	\$ 196,520
Emergency Planning					
Capital Outlay	<u>23,616</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	\$ <u>167,202</u>	\$ <u>414,463</u>	\$ <u>189,738</u>	\$ <u>655,003</u>	\$ <u>196,520</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$ 16,990	-	\$ 2,497	-	\$ (7,185)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers In	\$ 2,497		\$ 31,818	\$ 69,977	
Transfers Out	<u>(31,818)</u>	<u> </u>	<u>(2,497)</u>	<u> </u>	<u>(69,977)</u>
Total Other Financing Sources (Uses)	\$ <u>(29,321)</u>	<u> </u>	\$ <u>29,321</u>	\$ <u>69,977</u>	\$ <u>(69,977)</u>
Net Change in Fund Balances	\$ (12,331)	-	\$ 31,818	\$ 69,977	\$ (77,162)
Fund Balances - Beginning of Year	<u>479,753</u>	<u> </u>	<u>(4,511)</u>	<u> </u>	<u>73,038</u>
Fund Balances - End of Year	\$ <u>467,422</u>	<u> </u>	\$ <u>27,307</u>	\$ <u>69,977</u>	\$ <u>(4,124)</u>

See Accompanying Notes to Financial Statements

<u>Hazmat Fund</u>	<u>Total Governmental Funds</u>
\$ 21,572	\$ 430,353 191,200
63,895	164,981 74,249 847,692 220 <u>12,000</u>
<u>\$ 85,467</u>	\$ 1,720,695
	\$ 143,586 414,463
\$ 85,467	189,738 851,523 85,467 <u>23,616</u>
<u>\$ 85,467</u>	\$ <u>1,708,393</u>
-	\$ 12,302
<u> </u>	\$ 104,292 (<u>104,292</u>)
<u> </u>	<u> </u>
-	\$ 12,302
<u> </u>	<u>548,280</u>
<u> </u>	\$ <u>560,582</u>

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 12,302

Amounts Reported for Governmental Activities in the Statement
of Activities are Different Because:

Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the statement of activities and are allocated over their estimated useful lives as depreciation expense in the statement of activities. Capital outlay expenditures exceeded depreciation expense in the current year, as follows:

Expenditures for Capital Assets	\$ 23,616	
Depreciation	(<u>14,716</u>)	8,900

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in Compensated Absences	493
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Loss on investment in Siouxland Planning and Transit Services, L.L.C.	(<u>5,906</u>)
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Change in Net Position of Governmental Activities (Page 12) \$ 15,789

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

JUNE 30, 2015

	<u>Cardinal Development, Inc.</u>	<u>Siouxland Economic Development Corporation</u>	<u>Total Agency Funds</u>
<u>ASSETS</u>			
Due from SIMPCO	\$ 56	\$ 139,344	\$ 139,400
Loan Receivable	<u>2,699</u>	<u> </u>	<u>2,699</u>
Total Assets	\$ <u>2,755</u>	\$ <u>139,344</u>	\$ <u>142,099</u>
<u>LIABILITIES</u>			
Vouchers Payable		\$ 146	\$ 146
Due to State Governments	\$ 2,755		2,755
Accrued Wages and Benefits		19,071	19,071
Accrued Vacation		38,254	38,254
Advance Payments	<u> </u>	<u>81,873</u>	<u>81,873</u>
Total Liabilities	\$ <u>2,755</u>	\$ <u>139,344</u>	\$ <u>142,099</u>

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

BALANCE SHEETS

DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2015

	Siouxland Regional Transit System	Tri-State Graduate Center	Northeast Nebraska Joint Housing Agency
<u>ASSETS</u>			
Cash	\$ 151,659		\$ 88,521
Accounts Receivable	72,916		
Due from Primary Government - Note 4	56,861		
Due from Other Governments:			
Federal	3,433		11,932
State	381,458		
Local	194,396		
Prepaid Expenses	2,399		
Restricted Cash - Note 2	<u> </u>	<u> </u>	<u>42,654</u>
Total Assets	\$ <u>863,122</u>	<u>-</u>	\$ <u>143,107</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 93,318		\$ 936
Due to Primary Government - Note 4			5,344
Tenant Escrow			42,654
Accrued Wages and Benefits	55,358		2,109
Grant Advances	<u>250</u>		
Total Liabilities	\$ 148,926	<u>-</u>	\$ 51,043
Fund Balances:			
Nonspendable	\$ 2,399		
Restricted - Note 8			\$ 92,064
Assigned for Capital Purchases	166,554		
Unassigned	<u>545,243</u>		
Total Fund Balances	\$ 714,196	<u>-</u>	\$ 92,064
Total Liabilities and Fund Balances	\$ <u>863,122</u>	<u>-</u>	\$ <u>143,107</u>
Total Fund Balances	\$ 714,196	-	\$ 92,064
Amounts reported for governmental activities in the statement of net position are different because:			
Investment in Siouxland Planning and Transit Services, L.L.C. (not available to pay current expenditures)	116,576		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	669,791		
Compensated absences from the statement of net position are not reported on the modified accrual basis fund balance sheet	<u>(21,475)</u>		
Net Position of Governmental Activities	\$ <u>1,479,088</u>	<u>-</u>	\$ <u>92,064</u>

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES

DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Siouxland Regional Transit System General Fund</u>	<u>Tri-State Graduate Center General Fund</u>	<u>Northeast Nebraska Joint Housing Agency General Fund</u>
<u>REVENUES</u>			
Federal Sources	\$ 434,767		\$ 292,577
State Sources	1,002,679		
Local Sources:			
Support Assessments	144,767		
Contract Services	1,183,705		
Interest	125		68
Miscellaneous	18		6,504
Total Revenues	\$ 2,766,061	-	\$ 299,149
<u>EXPENDITURES</u>			
Current:			
Transportation	\$ 2,395,399		
Education		\$ 4,476	
Housing			\$ 306,492
Total Expenditures	\$ 2,395,399	\$ 4,476	\$ 306,492
Net Change in Fund Balances	\$ 370,662	\$(4,476)	\$(7,343)
Fund Balances - Beginning of Year	343,534	4,476	99,407
Fund Balances - End of Year	\$ 714,196	-	\$ 92,064
Net Change in Fund Balances	\$ 370,662	\$(4,476)	\$(7,343)
Amounts reported for governmental activities in the statement of net activities are different because:			
Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the statement of activities and are allocated over their estimated useful lives as depreciation expense in the statement of activities and are allocated over their estimated useful lives as depreciation expense in the statement of activities:			
Expenditures for Capital Assets	-		
Depreciation	(393,517)		
Some income or expense items reported in the statement of activities do not affect current financial resources and, therefore, are not reported in the governmental funds:			
Change in Compensated Absences	(5,928)		
Loss on investment in Siouxland Planning and Transit Services, L.L.C.	(3,607)		
Change in Net Position of Governmental Activities	\$(32,390)	\$(4,476)	\$(7,343)

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Siouxland Interstate Metropolitan Planning Council (the Council) was organized in 1965 to provide planning activities for member governmental bodies. The Council currently has 65 voluntary member governments from Iowa, Nebraska, and South Dakota.

The Council's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, the Council has included all funds, organizations, agencies, boards, commissions and authorities. The Council has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the Council's financial statements to be misleading. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Council to impose its will on that organization or (2) the potential for the Organization to provide specific benefits to or impose specific financial burdens on the Council.

These financial statements present the Council (the primary government) and its component units. The component units discussed below are included in the Council's reporting entity because in the Council's professional judgment, due to the nature and significance of each of the entity's relationship with the Council it would be misleading to exclude the entity from the Council's financial statements. The component units are presented under either blended or discrete presentation and do not issue their own separate financial statements.

Blended Component Units

The Council has relationships with two entities which are included as blended component units in the Council's financial statements.

Keep Northeast Nebraska Beautiful, Inc. (KNNB) is a nonprofit corporation that operates waste reduction and recycling programs in northeast Nebraska. Although it is legally separate from the Council, KNNB is reported as if it were part of the primary government as a result of its close relation to, and financial integration with, the Council. In addition, the operational responsibility for KNNB rests with the management of the Council.

Western Iowa Community Improvement Regional Housing Trust Fund (WICIRHTF) operates a housing rehabilitation program in western Iowa. Although it is legally separate from the Council, WICIRHTF is reported as if it were part of the primary government as a result of its close relation to, and financial integration with, the council. In addition, the operational responsibility for WICIRHTF rests with the management of the Council.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

Discretely Presented Component Units

Siouxland Regional Transit System was organized to improve and coordinate transportation services in Cherokee, Ida, Monona, Plymouth, and Woodbury counties in Iowa.

Tri-State Graduate Center was organized to facilitate the delivery of graduate education to Siouxland residents through the colleges and universities in Iowa, Nebraska, and South Dakota. Tri-State Graduate Center ceased operations in 2013 and all financial resources were expended in the year ended June 30, 2015.

Northeast Nebraska Joint Housing Agency (NNJHA) administers the HUD Section 8 housing voucher program for residents in rural Dakota, Dixon, and Wayne counties in Nebraska.

In the Council's judgment, it is misleading to exclude Siouxland Regional Transit System, Tri-State Graduate Center and Northeast Nebraska Joint Housing Agency from the Council's financial statements because the Council has a financial burden relationship with the entities. In addition, the Council's management has operational responsibility for the entities and the respective boards of the entities have allowed the Council's management and board to significantly influence their operations.

B. Basis of Presentation

Government - Wide Financial Statements

The Statement of Net Position and the Statement of Activities report information on all of the non-fiduciary activities of the Council and its component units. The effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the Council's non-fiduciary assets, liabilities, and deferred inflows of resources, with the difference reported as net position. Net position is reported in the following categories:

Net Investment in Capital Assets - Capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - Net position not meeting the definition of the two preceding categories. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) B. Basis of Presentation (Cont.)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual government funds are reported as separate columns in the fund financial statements.

The Council reports the following major government funds:

General Fund - The General Fund is the primary operating fund of the Council. It is used to account for all financial resources except those accounted for in special revenue funds. The general operating expenditures and fixed charges that are not paid from other funds are paid from the General Fund.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. Each of the Council's Special Revenue Funds have been established to reflect restricted revenue sources. The funds included in this category and their purposes are as follows:

MPO/RPA Fund - Accounts for the activities of the Metropolitan Planning Organization and Regional Planning Affiliation. The MPO/RPA provide long-range transportation planning and transportation improvement programs.

Community and Economic Development Fund - Accounts for the Council's community and economic development program. The community development program offers members a variety of services such as grant writing, project development, and technical assistance. The community and economic development fund also includes the activity of KNNB.

Housing Rehabilitation Fund - Accounts for the housing rehabilitation program. The housing rehabilitation program works to further the preservation and new construction of affordable housing and to grow affordable housing opportunities for low to moderate income persons and families within the Council's service area.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) B. Basis of Presentation (Cont.)

Special Revenue Funds (Continued)

Housing Trust Fund - Accounts for the activity of the Western Iowa Community Improvement Regional Housing Trust Fund (WICIRHTF), a blended component unit of the Council. The WICIRHTF promotes the preservation and new construction of affordable housing in the Council's service area in Iowa.

Hazmat Fund - Accounts for hazardous materials planning activities. The Council voluntarily shows the Hazmat Fund as a major fund.

The Council also reports the following fiduciary fund:

Agency Funds - The agency funds are used to account for assets held by the Council as an agent for individuals, private organizations and other governments. The Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

Interfund activities between governmental funds appear as interfund balances on the governmental funds balance sheet and as other sources and other uses on the governmental funds statement of revenues, expenditures and changes in fund balances. All interfund activities between governmental funds are eliminated on the government-wide statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Membership dues and local assessments are recognized as revenue in the year for which they are assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council generally considers revenues to be available if they are collected within 60 days after year end.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont.) C. Measurement Focus and Basis of Accounting (Cont.)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Under terms of grant agreements, the Council funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Council's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

D. Assets, Liabilities, Deferred Inflows of Resources and Fund Equity

Accounts Receivable - Trade credit is generally extended to Council members and clients on a short-term basis. These receivables do not bear interest, although a finance charge may be applied to balances more than thirty days past due. Individual accounts receivable are periodically evaluated for collectability based on past credit history and their current financial condition. All significant receivables of the Council are considered collectible at June 30, 2015. Therefore, no allowance for doubtful accounts is recorded.

Due From Other Governments - Due from other governments represents amounts due from federal, state and local governments. The amounts represent the earned portion of grant contracts between the Council or its component units and various government agencies. The funds received under these contracts are normally restricted to cover only specified expenditures under the programs described in the grant contract.

Interfund Balance - During the course of its operations, the Council has numerous transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts payable or receivable have been recorded.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont.) D. Assets, Liabilities and Fund Equity (Cont.)

Capital Assets - Capital assets, which include vehicles, electronics, and office furniture, are reported in the government-wide financial statements. Capital assets are defined by the Council and the component units as assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are expensed as incurred. Capital assets of the Council and its component units are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Vehicles	5 Years
Electronic Equipment	5 Years
Office Furniture	7 Years

Grant Advances - Grant advances represent grant proceeds which have been received by the Council, but will be spent in succeeding fiscal years.

Deferred Inflows of Resources - In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences - Vested or accumulated vacation leave (compensated absences) and the related employee benefits are reported as liabilities when incurred in the government-wide statement of net position. In the governmental fund statements, the liabilities for these amounts are recorded only for employees that have resigned or retired. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The liability has been computed based on rates of pay in effect at June 30, 2015.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont.) D. Assets, Liabilities and Fund Equity (Cont.)

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net position.

Fund Balances - In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or are imposed by law through constitutional provisions or enabling legislation.

Assigned - Amounts intended to be used for specific purposes determined pursuant to constraints imposed by the Board of Directors or an official the Board has delegated authority to.

Unassigned - All amounts not included in other spendable classifications.

When an expenditure is incurred in governmental funds which can be paid using assigned, restricted, or unrestricted resources, the Council's policy is generally to first apply the expenditure toward restricted fund balance, then assigned fund balance, and then to less restrictive classifications - unassigned fund balances.

E. Program Revenues

The operations of the Council and discretely presented component units are funded by the following primary sources:

Federal and State Grants - Are received from various governmental organizations and agencies to support the programs and operations of the Council and its component units.

Membership Dues and Support Assessments - Are collected from Council members to fund administrative costs not allocable to special revenue funds and also to honor Federal grant contracts requiring local matching funds. The portion of dues and assessments used for matching purposes are reported as revenue of the related special revenue fund.

Contract Services - The Council and its component units receive revenue from the fulfillment of contracts with members of the Council and other entities who contract with the Council and its component units for the provision of services.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

F. Allocation of Indirect Costs

Costs which cannot be specifically identified with a particular program are allocated to all programs having current activity based upon the ratio of direct labor, leave, and fringe dollars.

G. Budgets

The Council is not legally required to adopt a budget, but does adopt an annual budget for all governmental funds and discretely presented component units to assist in the operational management function. A budgetary comparison schedule is not included as required supplementary information because a budget is not legally required to be adopted.

Note 2 - CASH AND RESTRICTED CASH

The Council's and its component units' deposits in banks at June 30, 2015, were entirely covered by Federal Depository Insurance or by a multiple financial institution collateral pool, in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Certain deposits of NNJHA (a component unit) are held in escrow under requirements of NNJHA's contract with HUD's family self-sufficiency program. The deposits are restricted to use under that program.

Note 3 - INTERFUND TRANSFERS AND BALANCES

The detail of interfund transfers for the year ended June 30, 2015 is as follows:

	<u>Transfer to</u>	<u>Transfer from</u>
General	\$ 2,497	\$ 31,818
MPO/RPA Fund:		
Community and Economic Development Fund	31,818	2,497
Housing Rehabilitation Fund	69,977	-
Housing Trust Fund	<u>-</u>	<u>69,977</u>
	\$ <u>104,292</u>	\$ <u>104,292</u>

Transfers move unrestricted revenues collected between funds to finance their programs.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 3 - INTERFUND TRANSFERS AND BALANCES

(Cont.) The detail of interfund balances at June 30, 2015, is as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 93,072	\$ 30,688
Special Revenue Funds:		
MPO/RPA Fund	-	\$ 77,442
Community and Economic Development Fund	\$ 4,435	8,718
Housing Rehabilitation Fund	30,377	-
Housing Trust Fund	-	4,124
Hazmat Fund	-	<u>6,912</u>
	\$ <u>34,812</u>	\$ <u>97,196</u>
	\$ <u>127,884</u>	\$ <u>127,884</u>

The balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Note 4 - TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

The component units owe the Council \$5,344 and the Council owes the component units \$56,861 at June 30, 2015. The amount is reflected in the financial statements as due to primary government and due from component units. The detail of the due to/from primary government at June 30, 2015, is as follows:

Northeast Nebraska Joint Housing Agency	\$ <u>5,344</u>
Total Amount Due from Component Units	\$ <u>5,344</u>
Siouxland Regional Transit System	\$ <u>56,861</u>
Total Amount Due to Component Units	\$ <u>56,861</u>

The Council performs administrative services for the component units. For June 30, 2015, the Council recorded contract service income of \$136,879 related to these services. Siouxland Regional Transit System and Northeast Nebraska Joint Housing Agency had administrative services expenditures of \$126,919 and \$9,960, for June 30, 2015, respectively.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 5 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended June 30, 2015, is as follows:

<u>PRIMARY GOVERNMENT</u>	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Government Activities:				
Capital Assets Being Depreciated:				
Equipment	\$ 391,528	\$ 23,616	\$(51,815)	\$ 363,329
Accumulated Depreciation:				
Equipment	(376,332)	(14,716)	51,815	(339,233)
Total Capital Assets	\$ <u>15,196</u>	\$ <u>8,900</u>	<u>-</u>	\$ <u>24,096</u>

Depreciation expense was charged to the Council's functions as follows:

Governmental Activities:	
General Functions	\$ <u>14,716</u>
Total Depreciation Expense - Governmental Activities	\$ <u>14,716</u>

<u>DISCRETELY PRESENTED COMPONENT UNITS</u>	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Siouxland Regional Transit System:				
Capital Assets Being Depreciated:				
Equipment	\$ 2,919,569		\$(14,261)	\$ 2,905,308
Accumulated Depreciation:				
Equipment	(1,856,261)	\$(393,517)	14,261	(2,235,517)
Total Capital Assets, Net	\$ <u>1,063,308</u>	\$(<u>393,517</u>)	<u>-</u>	\$ <u>669,791</u>
Tri-State Graduate Center:				
Capital Assets Being Depreciated:				
Equipment	\$ 44,148		\$(44,148)	-
Accumulated Depreciation:				
Equipment	(44,148)	<u>-</u>	44,148	<u>-</u>
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Northeast Nebraska Joint Housing Agency:				
Capital Assets Being Depreciated:				
Equipment	\$ 6,240			\$ 6,240
Accumulated Depreciation:				
Equipment	6,240	<u>-</u>	<u>-</u>	(6,240)
Total Capital Assets, Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 6 - INVESTMENT IN SIOUXLAND PLANNING AND TRANSIT SERVICES, L.L.C.

The Council and Siouxland Regional Transit System established Siouxland Planning and Transit Services, L.L.C. The Council's ownership interest is 61.844 percent and Siouxland Regional Transit System's ownership interest is 38.156 percent. The L.L.C. owns the building out of which the Council and Siouxland Regional Transit System operate. The L.L.C. does not issue its own financial statements. The condensed June 30, 2015, financial statements of Siouxland Planning and Transit Services, L.L.C. are as follows:

Balance Sheet

Assets:	
Building, Net of Accumulated Depreciation of \$72,999	\$ <u>307,501</u>
Total Assets	\$ <u>307,501</u>
Liabilities:	
None	_____
Member Capital Accounts	\$ <u>307,501</u>
Total Liabilities and Capital	\$ <u>307,501</u>

Income Statement

Expenses:	
Depreciation	\$ <u>9,513</u>
Total Expenses	\$ <u>9,513</u>
Net (Loss)	\$(<u>9,513</u>)

Note 7 - CHANGES IN LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2015, is as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Governmental:					
Compensated Absences	\$ <u>55,530</u>	_____	\$ <u>493</u>	\$ <u>55,037</u>	_____
Component Unit:					
Siouxland Regional Transit System - Compensated Absences	\$ <u>15,547</u>	\$ <u>5,928</u>	_____	\$ <u>21,475</u>	_____

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 8 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

The purpose of the restricted net position and restricted fund balances are as follows:

Primary Government:

Restricted for Member Projects \$ 93,160

Discretely Presented Component Unit:

Northeast Nebraska Joint Housing Agency:
Restricted for Administration \$ 92,064

Note 9 - RETIREMENT BENEFITS

In 1975, the Council began a qualified contributory money purchase pension plan with the International City Management Association Retirement Corporation (ICMARC). All employees who meet the minimum service and age requirements are eligible to participate in the plan. Each participant is required to contribute five percent of compensation, and the Council contributes six percent. Participants are immediately vested in employer contributions, accordingly, the plan does not have any forfeitures. Participants may voluntarily contribute up to an additional ten percent of their compensation. The Council is not required to match employee voluntary contributions. The Plan may be amended by the Council's governing board. The employee contributions and the Council's contributions to the plan for the year ended June 30, 2015, were \$41,701 and \$46,741, respectively.

The Council offers its administrative employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). The plan, available to all Council employees, permits them to defer a portion of their salary until future years. Employee contributions for the year ended June 30, 2015, were \$16,185.

Note 10 - RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Council assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The Council participates in a partially self-funded health insurance plan for Council employees. Premiums are paid to the Council's medical insurance carrier and claims are handled by the carrier. The Council's maximum fund exposure for this plan is \$221,000.

The Council has elected to be self-insured under state unemployment tax laws. Any claims that may arise will be paid by the Council when presented. There were no claims during the year ended June 30, 2015. The Council's component units are covered by Federal and state unemployment insurance systems.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

Note 11 - COMMITMENT

The Council has agreements with key employees to pay termination benefits upon involuntary termination without cause. The Council's maximum exposure related to these agreements is approximately \$73,000.

Note 12 - RESTATEMENT

Siouxland Regional Transit System's net position at June 30, 2014, was restated from \$1,640,595 to \$1,511,478. Net position decreased by \$129,117 to properly exclude 2015 assessments.

Note 13 - SUBSEQUENT EVENTS

Siouxland Interstate Metropolitan Planning Council has evaluated all subsequent events through January 11, 2016, the date the financial statements were available to be issued.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL SCHEDULE 1

SCHEDULE OF METROPOLITAN AND REGIONAL PLANNING GRANTS

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Regional Planning Affiliation STP</u>	<u>Regional Planning Affiliation FTA</u>	<u>MPO Iowa Federal Highway Planning</u>	<u>MPO Nebraska Federal Highway Planning</u>	<u>MPO South Dakota Federal Highway Planning</u>	<u>MPO Iowa FTA</u>	<u>Total MPO/RPA</u>
<u>REVENUES</u>							
Federal Grant	\$ 54,226	\$ 23,346	\$ 112,790	\$ 45,635	\$ 49,341	\$ 28,480	\$ 313,818
State Grant	15,089						15,089
Membership Dues	14,351	5,837	31,678	11,678	14,046	7,120	84,710
Contract Services	1,088						1,088
Other Reimbursements	<u> </u>	<u> </u>	(<u>242</u>)	<u> </u>	<u> </u>	<u> </u>	(<u>242</u>)
Total Revenues	\$ 84,754	\$ 29,183	\$ 144,226	\$ 57,313	\$ 63,387	\$ 35,600	\$ 414,463
<u>EXPENDITURES</u>							
Salaries and Benefits	\$ 57,730	\$ 18,456	\$ 82,252	\$ 37,184	\$ 41,980	\$ 23,226	\$ 260,828
Rent	125						125
Travel and Training	1,180	133	4,729	1,481	10	73	7,606
Communications	47		211	10			268
Supplies	979	200	876	200	175		2,430
Dues and Subscriptions			279				279
Purchased Services	501		15,400				15,901
Advertising	214	130	192	133	108	64	841
Indirect/Administrative	<u>23,978</u>	<u>10,264</u>	<u>40,287</u>	<u>18,305</u>	<u>21,114</u>	<u>12,237</u>	<u>126,185</u>
Total Expenditures	\$ <u>84,754</u>	\$ <u>29,183</u>	\$ <u>144,226</u>	\$ <u>57,313</u>	\$ <u>63,387</u>	\$ <u>35,600</u>	\$ <u>414,463</u>
Revenues in Excess of Expenditures	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -	<u> </u> -

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL SCHEDULE 2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through/ Grantors' Number</u>	<u>Total Federal Expenditures</u>
<u>Direct:</u>			
<u>DEPARTMENT OF COMMERCE</u>			
Economic Development - Support for Planning Organizations	11.302	05-83-05374	\$ 62,000
 <u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Section 8 Housing Choice Vouchers	14.871	NE180VO	\$ 243,770
Section 8 Housing Choice Vouchers	14.871	NE180FSF008	<u>20,035</u>
Total Section 8 Housing Choice Vouchers			\$ 263,805
 Family Self-Sufficiency Program	 14.896	 NE180-FSH194A014	 \$ <u>28,772</u>
Total U.S. Department of Housing and Urban Development (Direct)			\$ <u>292,577</u>
Total Direct			\$ 354,577
 <u>Indirect:</u>			
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Iowa Department of Public Defense:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0340-13-01-00	\$ 3,312
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0340-13-01-00	7,828
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0340-13-01-00	893
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0399-14-01-00	5,950
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0399-14-01-00	<u>3,589</u>
Total U.S. Department of Homeland Security			\$ 21,572
 <u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Iowa Finance Authority:			
Home Investment Partnerships Program	14.239	13-HM-180	\$ <u>32,963</u>
Total U.S. Department of Housing and Urban Development (Indirect)			\$ 32,963

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

<u>Federal Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through/ Grantors' Number</u>	<u>Total Federal Expenditures</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
Passed Through Iowa Department of Transportation:			
Highway Planning and Construction	20.205	FHWA PL	\$ 112,790
Highway Planning and Construction	20.205	FHWA SPR	23,927
Highway Planning and Construction	20.205	FHWA STP	<u>29,718</u>
Total Highway Planning and Construction - IA			\$ 166,435
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	FTA 5305d	\$ 28,480
Formula Grants for Rural Areas	20.509	FTA 5311	\$ 23,927
Formula Grants for Rural Areas	20.509	18-0031-040-15	343,011
Formula Grants for Rural Areas	20.509	TFR 15-077	327
Formula Grants for Rural Areas	20.509	TFR 15-078	215
Formula Grants for Rural Areas	20.509	TFR 15-099	1,450
Formula Grants for Rural Areas	20.509	TFR 15-100	<u>1,362</u>
Total Formula Grants for Rural Areas - IA			\$ 370,292
Job Access and Reverse Commute Program	20.516	37-X023-040-14	\$ <u>53,378</u>
Total Iowa Department of Transportation			\$ 618,585
Other State Department of Transportation:			
Highway Planning and Construction - NE	20.205	SPR-PL-1(52)	\$ 45,635
Highway Planning and Construction - SD	20.205	311201-PL0156(37)	<u>49,341</u>
Total Highway Planning and Construction - Other States			\$ 94,976
Formula Grants for Rural Areas	20.509	Section 5311-14	\$ 6,046
Formula Grants for Rural Areas	20.509	Section 5311-15	26,528
Formula Grants for Rural Areas	20.509	UM1814 3698 RTAP #34	231
Formula Grants for Rural Areas	20.509	UM1814 3698 RTAP #19	2,000
Formula Grants for Rural Areas	20.509	UM1814 3698 RTAP #35	<u>218</u>
Total Formula Grants for Rural Areas - Other States			\$ <u>35,023</u>
Total Other State Department of Transportation			\$ <u>129,999</u>
Total U. S. Department of Transportation			\$ <u>748,584</u>
Total Indirect			\$ <u>803,119</u>
Total Expenditures of Federal Awards			\$ <u>1,157,696</u>
<u>Program Totals for Programs with Multiple Funding Sources (Memo Only):</u>			
Highway Planning and Construction	20.205		\$ 261,411
Formula Grants for Rural Areas	20.509		\$ 405,315

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Note 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Siouxland Interstate Metropolitan Planning Council and its discretely presented component units under programs of the Federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the applicable requirements of OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the net position or activities of the Council.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures on the Schedule are presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Council has elected not to use the 10-percent de minimis indirect cost rate allowed under the *Uniform Guidance*.



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

To the Board of Directors of
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

We have audited, 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, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Siouxland Interstate Metropolitan Planning Council, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated January 11, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Siouxland Interstate Metropolitan Planning Council'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Siouxland Interstate Metropolitan Planning Council's internal control. Accordingly, we do not express an opinion on the effectiveness of Siouxland Interstate Metropolitan Planning Council'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2015-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Siouxland Interstate Metropolitan Planning Council'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*

Siouxland Interstate Metropolitan Planning Council's Response to Findings

Siouxland Interstate Metropolitan Planning Council's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Siouxland Metropolitan Planning Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Sioux City, Iowa
January 11, 2016

King, Heinisch, Prosser & Co., L.L.P.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

Report on Compliance for Each Major Federal Program

We have audited Siouxland Interstate Metropolitan Planning Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Siouxland Interstate Metropolitan Planning Council's major federal programs for the year ended June 30, 2015. Siouxland Interstate Metropolitan Planning Council's major federal programs are identified in the summary of the independent auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Siouxland Interstate Metropolitan Planning Council'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 audited 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 Siouxland Interstate Metropolitan Planning Council's compliance with those requirements and performing such other procedures as we considered necessary in those 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 Siouxland Interstate Metropolitan Planning Council's compliance.



Opinion on Each Major Federal Program

In our opinion, Siouxland Interstate Metropolitan Planning Council complied, in all material respects, with the type 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 Siouxland Interstate Metropolitan Planning Council, 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 Siouxland Interstate Metropolitan Planning Council'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 Siouxland Interstate Metropolitan Planning Council'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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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.

Sioux City, Iowa
January 11, 2016

King, Heinsch, Prosser & Co., L.L.P.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Part I: Summary of the Independent Auditors' Results:

- (a) Unmodified opinions were issued on the financial statements.
- (b) A significant deficiency in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any noncompliance that is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which are 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 20.509 Formula Grants for Rural Areas
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Siouxland Interstate Metropolitan Planning Council qualified as a low-risk auditee.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

(CONTINUED)

Part II: Findings Related to the Financial Statements:

Significant Deficiency:

2015-001 Criteria - As part of the Council's internal control over expenditures voucher/invoices are required to be initialed to indicate approval by the program director.

Condition - There was no documentation on voucher/invoice indicating approval by the program director.

Context - We selected forty expenditure transactions of which five lacked documentation showing approval.

Effect - Invoices were paid without the proper documentation of approval.

Cause - The accounting department paid the invoices without having the required signature indicating approval.

Recommendation - We recommend the Council review the voucher/invoice approval process.

Views of Responsible Officials and Planned Corrective Actions - Procedures will be reviewed.

Instances of Noncompliance:

No matters were reported.

Part III: Findings and Questioned Costs for Federal Awards:

No matters were reported.