

**Corridor MPO**  
**Financial Statements**  
**June 30, 2013**

<b><i>Table of Contents</i></b>	<b><i>Page(s)</i></b>
<b>Independent Auditor's Report</b>	1 – 2
<b>Management's Discussion and Analysis</b>	3 – 4
<b>Basic Financial Statements</b>	
Statement of Net Assets	5
Statement of Activities	6
Notes to Financial Statements	7 – 8
<b>Supplementary Information</b>	
Monthly Status Report	9
<b>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 <i>Government Auditing Standards</i></b>	10 – 11
<b>Schedule of Findings</b>	12



## Independent Auditor's Report

Policy Board  
Corridor MPO  
Cedar Rapids, Iowa

We have audited the accompanying financial statements of Corridor MPO, a component unit of the city of Cedar Rapids as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Corridor MPO's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Corridor MPO's 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 Corridor MPO as of June 30, 2013, and the changes in its 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 3 and 4 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2014 on our consideration of Corridor MPO'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 Corridor MPO's internal control over financial reporting and compliance.

## **Honkamp Krueger & CO., P.C.**

Handwritten signature in cursive script that reads "Honkamp Krueger & Co.".

Dubuque, IA  
April 21, 2014

# Corridor MPO

## Management's Discussion and Analysis

As management of the Corridor MPO, we offer readers of the Organization's financial statements this narrative and analysis of the financial statements of the Corridor MPO for the fiscal year ended June 30, 2013, in comparison with the prior fiscal year's results. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A).

### Financial Highlights

The assets of the Corridor MPO exceeded its liabilities at the close of business on June 30, 2013, by \$268,587 (unassigned net assets), which is 158 percent of the total expenditures for the current fiscal year. This entire amount, (unassigned net assets) may be used to meet the government's ongoing obligations to member agencies.

The Organization's net assets increased by \$38,335 during the year ended June 30, 2013.

The Organization has no debt obligations, either existing as of July 1, 2013, or issued during the fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corridor MPO's basic financial statements. The Organization's basic financial statements are comprised of these components: 1) financial statements, and 2) notes to the financial statements.

This report is made in compliance with Government Accounting Standards Board Statement No. 34. In addition to the Management's Discussion and Analysis, the report consists of financial statements, notes to the financial statements, and supplementary information.

### Financial Statements

The financial statements include the Statement of Net Assets, which presents information on the Organization's assets and liabilities, with the difference between the two reported as Net Assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The Statement of Activities' focus is to show how the entity's assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected charges for services and incurred but unpaid expenses). The financial statements, including the Statement of Net Assets and the Statement of Activities, can be found on pages 5 and 6 of this report.

# Corridor MPO

## Management's Discussion and Analysis (Continued)

### Statement of Net Assets for the Fiscal Years Ended June 30, 2013 and 2012

This section discusses and analyzes significant differences between this and the prior fiscal year. A condensed version of the Statement of Net Assets follows:

	<u>2013</u>	<u>2012</u>
Cash	\$ 215,834	\$ 208,476
Grants Receivable	58,128	23,374
Total Assets	<u>\$ 273,962</u>	<u>\$ 231,850</u>
Liabilities	<u>\$ 5,375</u>	<u>\$ 1,598</u>
Net Assets, Unassigned	<u>\$ 268,587</u>	<u>\$ 230,252</u>

### Statement of Activities for the Fiscal Years Ended June 30, 2013 and 2012

This section discusses and analyzes significant differences in fiscal year activities. A summary version of the Statement of Activities follows:

	<u>2013</u>	<u>2012</u>
Revenues:		
Grant Income	\$ 136,178	\$ 125,913
Member Dues Assessments	72,079	72,079
Other Income	334	2,166
Total Revenues	<u>208,591</u>	<u>200,158</u>
Expenditures	<u>170,256</u>	<u>160,058</u>
Change in Net Assets	38,335	40,100
Net Assets, Beginning of Year	<u>230,252</u>	<u>190,152</u>
Net Assets, End of Year	<u>\$ 268,587</u>	<u>\$ 230,252</u>

### Contacting the Organization's Financial Management

This financial report is prepared to provide a general overview of the Organization's finances and to demonstrate the Organization's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Adam Lindenlaub, Corridor MPO, 101 First Street SE, Cedar Rapids, Iowa 52401.

**Corridor MPO  
Statement of Net Assets  
June 30, 2013**

**ASSETS**

Cash	\$ 215,834
Grants Receivable	<u>58,128</u>
Total Assets	<u><u>\$ 273,962</u></u>

**LIABILITIES**

**Current Liabilities**

Accounts Payable	<u>\$ 5,375</u>
Total Liabilities	<u>5,375</u>

**Net Assets, Unassigned**

	<u>268,587</u>
Total Liabilities and Net Assets	<u><u>\$ 273,962</u></u>

**Corridor MPO  
Statement of Activities  
Year Ended June 30, 2013**

**Revenue**

Grant Income	\$ 136,178
Member Dues Assessments	72,079
Other Income	334
Total Revenue	<u>208,591</u>

**Expenditures**

Wages, Salaries, and Fringes	113,193
Other Professional and Technical Service Fees	14,670
Professional Fees	3,202
Supplies and Materials	7,661
Computer Software Maintenance	26,305
Insurance	352
Advertising	1,180
Telephone	245
Printing, Binding, and Duplicating	1,731
Travel and Mileage	46
Other Expenses	25
Dues and Memberships	1,412
Rental of Equipment and Vehicles	50
General and Administrative	157
Postage and Freight	27
Total Expenditures	<u>170,256</u>

**Change In Net Assets**

38,335

**Net Assets, Beginning of Year**

230,252

**Net Assets, End of Year**

\$ 268,587

# Corridor MPO

## Notes to Financial Statements

### **NOTE 1. Nature of Activities and Significant Accounting Policies**

The Corridor MPO (the "Organization") was created under the Code of Iowa, Chapter 28I. The Organization was established to make comprehensive studies and plans for the development of the Linn County area, which will guide the unified development of the area and will eliminate planning duplication and promote economy and efficiency in the coordinated development of the area and the general welfare, convenience, safety, and prosperity of its people.

These financial statements include all funds which are administered by the Corridor MPO's members. The financial statements of the Corridor MPO have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to the governmental unit. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are presented below.

#### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenue is recognized in the accounting period when it becomes both measurable and available. Expenditures are generally recognized when the related liability is incurred.

#### **Receivables and Revenue Recognition**

Revenue from federal grants is recognized in the period in which the Organization fulfills the requirements for receiving the grant awards. Member assessments are recognized in the period in which the assessments were made.

#### **Use of 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 statement. Actual results could differ from those estimates.

### **NOTE 2. Cash**

The Organization's deposits at June 30, 2013, were entirely covered by federal depository insurance or by a multiple financial collateral pool in accordance with Chapter 453 of the Code of Iowa.

# Corridor MPO

## Notes to Financial Statements

### **NOTE 3. Revenue Concentrations**

A major source of funds, the Iowa Department of Transportation, provided 66% of the Organization's total revenue for the current year. Member dues assessments provided 35% of the Organization's total revenue for the current year.

### **NOTE 4. Recent Accounting Pronouncements**

Statement No. 66, *Technical Corrections*, issued March 2012, will be effective for the Organization beginning with its fiscal year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

The Organization is currently evaluating the effect this future pronouncement will have on the financial statements.

### **NOTE 5. Date of Management's Review**

Subsequent events were evaluated through the date the financial statements were available to be issued, which was April 21, 2014.

# **Supplementary Information**

**Corridor MPO  
Monthly Status Report  
June 30, 2013**

ACTIVITY	SOURCE OF FUNDS		
	CMPO/Iowa DOT	FEDERAL	TOTAL COST
Transportation Planning Work Program			
Budget	16,600.00	66,400.00	83,000.00
Expended this month	2,012.34	8,049.38	10,061.72
Expended to date	16,526.64	66,106.57	82,633.21
Remaining Budget	73.36	293.43	366.79
Long Range Transportation Plan			
Budget	48,079.00	171,714.00	219,793.00
Expended this month	1,956.31	7,825.23	9,781.54
Expended to date	16,028.44	64,113.76	80,142.20
Remaining budget	32,050.56	107,600.24	139,650.80
Long Range Transportation Plan Update			
Budget	64,708.00	16,177.00	80,885.00
Expended this month	423.00	1,692.00	2,115.00
Expended to date	1,044.00	4,176.00	5,220.00
Remaining budget	63,664.00	12,001.00	75,665.00
Highway. 100 CMP			
Budget	48,000.00	192,000.00	240,000.00
Expended this month	-	-	-
Expended to date	-	-	-
Remaining budget	48,000.00	192,000.00	240,000.00
TIP (Transportation Improve Program)			
Budget	1,400.00	5,600.00	7,000.00
Expended this month	-	-	-
Expended to date	86.74	346.96	433.70
Remaining Budget	1,313.26	5,253.04	6,566.30
Outreach and Communication Plan			
Budget	5,106.00	20,425.00	25,531.00
Expended this month	2.46	9.86	12.32
Expended to date	188.85	755.38	944.23
Remaining Budget	4,917.15	19,669.62	24,586.77
Passenger Transportation Development Plan			
Budget	2,000.00	8,000.00	10,000.00
Expended this month	0.19	0.77	0.96
Expended to date	170.76	683.05	853.81
Remaining budget	1,829.24	7,316.95	9,146.19
Admin (Local Only)			
Budget	-	-	-
Expended this month	27.55	-	27.55
Expended to date	27.55	-	27.55
Remaining budget	(27.55)	-	(27.55)
<b>TOTAL</b>			
Total Budget	185,893.00	480,316.00	666,209.00
Expended This Month	4,421.86	17,577.23	21,999.09
Expended to date	34,072.98	136,181.72	170,254.70
% Expended to date	18.33%	28.35%	25.56%
Remaining Budget	151,820.02	344,134.28	495,954.30



**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**

Policy Board  
Corridor MPO  
Cedar Rapids, Iowa

We have audited the financial statements of Corridor MPO, as of and for the year ended June 30, 2013, and have issued our report thereon dated April 21, 2014. 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.

**Internal Control over Financial Reporting**

Management of Corridor MPO is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Organization’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control over financial reporting.

A deficiency in internal control exists when the design or operations 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free of material misstatement, we performed tests of its compliance with certain

provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the policy board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**HONKAMP KRUEGER & CO., P.C.**

A handwritten signature in black ink that reads "Honkamp Krueger & Co." in a cursive script.

Dubuque, Iowa  
April 21, 2014

**Corridor MPO  
Schedule of Findings  
Year Ended June 30, 2013**

**Part I. Summary of the Independent Auditors' Results**

- a. An unqualified opinion was issued on the financial statements.
- b. There were no material weaknesses in internal control over financial reporting disclosed by the audit of the financial statements.
- c. The audit did not disclose any non-compliance which is material to the financial statements.

**Part II. Findings Related to the Financial Statements**

No matters were reported.

**Part III. Other Findings Related to Statutory Requirements and Other Matters**

No matters were reported.