

SIOUXLAND INTERSTATE METROPOLITAN  
PLANNING COUNCIL

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SIOUX CITY, IOWA

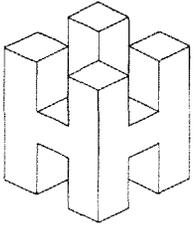
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2004

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

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HENJES, CONNER,  
WILLIAMS & GRIMSLEY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING  
505 FIFTH STREET  
P.O. BOX 1528  
SIOUX CITY, IOWA 51102

PH. (712) 277-3931  
(800) 274-3931  
FAX (712) 233-3431

INDEPENDENT AUDITORS' REPORT

Siouxland Interstate Metropolitan  
Planning Council  
Sioux City, Iowa

We have audited the accompanying basic financial statements of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, Sioux City, Iowa, as of and for the year ended June 30, 2004, as listed in the Table of Contents. These basic financial statements are the responsibility of Siouxland Interstate Metropolitan Planning Council's management. 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, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siouxland Interstate Metropolitan Planning Council, as of June 30, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 11 to the financial statements, for the year ended June 30, 2004, the Council adopted Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus.

In accordance with Government Auditing Standards, we have also issued our reports dated October 19, 2004, on our consideration of Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages through is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Denise Conner Williams*  
*1/2 Humsley, LLP*  
Certified Public Accountants

Sioux City, Iowa  
October 19, 2004

# SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

*is Action*

507 - 7TH STREET, SUITE 401  
P.O. BOX 447  
SIOUX CITY, IOWA 51102-0447  
TELEPHONE (712) 279-6286  
FAX (712) 279-6920  
E-MAIL [simpco@simpco.org](mailto:simpco@simpco.org)

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Siouxland Interstate Metropolitan Planning Council (SIMPCO) 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, 2004. We encourage readers to consider this information in conjunction with the financial statements, which follow.

### 2004 FINANCIAL HIGHLIGHTS

- Total revenues increased from \$3,329,281 in fiscal 2003 to \$3,479,900 in fiscal 2004, and total expenditures increased from \$3,282,262 in fiscal 2003 to \$3,498,394 in fiscal 2004. The result is a decrease in the total fund balance from \$360,112 for fiscal 2003 to \$341,618 for fiscal 2004.
- The increase in total revenues was attributable to an increase in federal grant revenues in fiscal 2004. The increase in expenditures was due primarily to the increase in services provided to the planning area in fiscal 2004. The total fund balance decreased because the cost of services provided was greater than the increase in revenue for fiscal 2004.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the financial activities.

The Entity-wide Financial Statements consist of a statement of net assets and a statement of activities. These provide information about the activities as a whole and present an overall view of the finances.

The Fund Financial Statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements report the operations in more detail than the Entity-wide statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Supplementary Information further explains and supports the financial statements with detailed information about the individual funds.

Schedule of Expenditures of Federal Awards provides details of various federal programs.

## Reporting SIMPCO's Financial Activities

### *Entity-wide Financial Statements*

The entity-wide statements report information about the entity as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The entity-wide statements report net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the financial health or position. Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.

In the entity-wide financial statements, the activities are divided into two functions:

- *Primary Government:* The General and Special Revenue activities are included here. Federal, state and local revenues, as well as contracted services, finance both these functions.
- *Component Units:* The activities of TSGC, NNJHA and SRTS are included here. Federal, state and local revenues, as well as contracted services, finance these functions.

### *Fund Financial Statements*

The fund financial statements provide detailed information focusing on its most significant or "major" funds. Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs. Some funds are required by federal and state law. Other funds are established to control and manage money for particular purposes, such as accounting for projects or to show it is properly using certain revenues, such as federal grants.

There are two kinds of funds:

- Primary Government funds account for general services. These focus on how cash and other financial assets readily converted to cash flow in and out and the balances left at year-end available for spending. Consequently, the primary government fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs. The primary governmental funds include: 1) the General Fund, 2) the Special Revenue Fund, and 3) the Agency Fund.

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

- Component Unit funds account for services provided by related organizations. Component Unit funds are reported in the same way as the primary government fund statements.

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

Reconciliations between the entity-wide financial statements and the fund financial statements follow the fund financial statements.

## ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Net assets at the end of fiscal 2004 totaled \$983,868. The analysis that follows focuses on the net assets.

	Condensed Statement of Net Assets		
	Primary Government	Component Units	Total
	June 30	June 30	June 30
	2004	2004	2004
Current and other Assets	\$ 414,074	\$ 367,171	\$ 781,245
Capital Assets	\$ 184,385	\$ 458,736	\$ 643,121
Total Assets	\$ 598,459	\$ 825,907	\$ 1,424,366
Liabilities	\$ 285,869	\$ 154,629	\$ 440,498
Total Liabilities	\$ 285,869	\$ 154,629	\$ 440,498
Net Assets:			
Invested in Capital Assets:			
net of related debt	\$ 183,514	\$ 458,736	\$ 642,250
Restricted	\$ 4,849	\$ -	\$ 4,849
Unrestricted	\$ 124,227	\$ 212,542	\$ 336,769
Total Net Assets	\$ 312,590	\$ 671,278	\$ 983,868

The combined net assets decreased by 4.8%, or \$49,068, from fiscal 2003. The Primary Government net assets increased by \$97,541 while the Component Unit net assets decreased by \$146,609.

The following analysis details the changes in net assets.

	Changes in Net Assets		
	Primary Government	Component Units	Total
	Year ended June 30, 2004	Year ended June 30, 2004	Year ended June 30, 2004
Revenues:			
Program Revenues			
Charges for service	\$ 440,069	\$ 888,268	\$ 1,328,337
Operating grants and contributions	\$ 798,919	\$ 1,085,189	\$ 1,884,108
Capital Grants	\$ -	\$ 144,724	
Interest Income	\$ 358	\$ 904	\$ 1,262
Miscellaneous Income	\$ 11,396	\$ 29,309	\$ 40,705
Gain on Sale of Assets	\$ -	\$ 694	\$ 694
Total Revenues	\$ 1,250,742	\$ 2,149,088	\$ 3,255,106
Expenses	\$ 1,153,201	\$ 2,295,697	\$ 3,448,898
Total Expenses	\$ 1,153,201	\$ 2,295,697	\$ 3,448,898
Change in Net Assets	\$ 97,541	\$ (146,609)	\$ (49,068)
Net Assets beginning of year	\$ 215,049	\$ 817,887	\$ 1,032,936
Net Assets end of year	\$ 312,590	\$ 671,278	\$ 983,868

Operating grants and contributions from local, state and federal sources account for 57.9%, while charges for service account for 40.8% of the total revenue. The expenses primarily relate to personnel, equipment/maintenance related and contract payments which account for 84.8% of the total expenses.

#### Primary Government Activities

Revenues for Primary Governmental activities were \$1,250,742 and expenses were \$1,153,201. The net assets increased by \$97,541 to \$312,590 for fiscal 2004.

#### Component Unit Activities

Revenues of the Component Unit activities were \$2,149,088 and expenses were \$2,295,697. The net assets decreased by \$146,609 to \$671,278 for fiscal 2004.

## **INDIVIDUAL FUND ANALYSIS**

As previously noted, SIMPCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The total fund balance was \$341,618, below last year's total fund balance of \$360,112. The primary reason for the decrease in total fund balance in fiscal 2004 was due to the increase in cost of services provided being greater than the increase in revenue for fiscal 2004.

### **Primary Governmental Fund Highlights**

- General Fund revenues decreased from \$151,183 in fiscal 2003 to \$122,363 in fiscal 2004, and General Fund expenditures decreased from \$110,649 in fiscal 2003 to \$99,749 in fiscal 2004. The transfers from the Special Revenue Fund to the General Fund increased from \$621 in fiscal 2003 to \$57,916 in fiscal 2004. The result is an increase in the General Fund balance from \$16,061 for fiscal 2003 to \$96,591 for fiscal 2004.
- The decrease in General Fund revenues was attributable to a decrease in contract revenue in fiscal 2004. The decrease in expenditures was due to a decrease in equipment purchased in fiscal 2004. As a result, the Council was able to increase the General Fund balance.
- Special Revenue Fund revenues increased from \$1,086,736 in fiscal 2003 to \$1,208,449 in fiscal 2004, and Special Revenue Fund expenditures increased from \$1,086,115 in fiscal 2003 to \$1,150,533 in fiscal 2004. The result is an increase in the Special Revenue Fund balance from \$621 in fiscal 2003 to \$57,916 in fiscal 2004. Since these funds are unrestricted, they are transferred to the General Fund.
- The increase in Special Revenue Fund revenues was attributable to increased funding in federal and local revenues. The increase in expenditures was attributable to an increase in services provided. The Council was able to increase the Special Revenue Fund balance for fiscal 2004.

### **Component Unit Fund Highlights**

- Component Unit revenues increased from \$2,091,362 in fiscal 2003 to \$2,149,088 in fiscal 2004, and the Component Unit expenditures increased from \$2,085,498 in fiscal 2003 to \$2,248,112 in fiscal 2004. The result is a decrease in the Component Unit Fund balance from \$339,202 in fiscal 2003 to \$240,178 in fiscal 2004.
- The increase in the Component Unit Fund revenues was attributable to increased funding in federal, state and local revenues. The increase in expenditures was due to increased costs of the services provided and capital expenditures. The Component Unit balance decreased because the increase in costs of the services provided were greater than the increase in revenues for fiscal 2004.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2004, a total of \$460,260, net of accumulated depreciation, in a broad range of capital assets including computers, office equipment, vehicles and vehicle radios.

The depreciation expense was \$194,837 in fiscal 2004 and total accumulated depreciation is \$1,590,833 at June 30, 2004. More detailed information about capital assets is available in Note 4 & Note 11 to the financial statements.

### **Long-Term Debt**

At June 30, 2004, had \$0 in long-term debt outstanding compared to \$854 at June 30, 2003. The combined current & long-term debt decreased from \$10,838 in fiscal 2003 to \$871 in fiscal 2004. The balance of \$871 was paid at the beginning of fiscal 2005. More detailed information about the Council's long-term liabilities is available in Note 5 to the financial statements.

## **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 the Co-Executive Director at PO Box 447, Sioux City, Iowa, 51102 or email: [simpco@simpco.org](mailto:simpco@simpco.org).

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL  
STATEMENT OF NET ASSETS  
JUNE 30, 2004

EXHIBIT A

	Primary Government			Component Units	Total Reporting Entity
	General Activities	Special Revenue Activities	Total Governmental Activities		
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents .....	\$ 93,627		\$ 93,627	\$ 135,452	\$ 229,079
Accounts Receivable .....	9,692	\$ 82,900	92,592	172,077	264,669
Due from Other Governments:					
Federal .....		122,405	122,405		122,405
State .....		8,295	8,295	5,221	13,516
Local .....	76,261	1,498	77,759	31,350	109,109
Prepaid Expenses .....	19,096	300	19,396	23,071	42,467
Capital Assets, Net of Accumulated Depreciation - Note 4 .....	175,704	8,681	184,385	458,736	643,121
Total Assets .....	\$ 374,380	\$ 224,079	\$ 598,459	\$ 825,907	\$ 1,424,366
<b><u>LIABILITIES</u></b>					
Accounts Payable .....	\$ 26,842	\$ 31,354	\$ 58,196	\$ 82,278	\$ 140,474
Loan Payable - Current Year - Note 5 ....	871		871		871
Due to Other Governments:					
Local .....			-	8,375	8,375
Tenant Escrow .....			-	5,870	5,870
Accrued Wages and Benefits .....	107,611	14,630	122,241	37,776	160,017
Accrued Vacation Pay .....	33,749	8,327	42,076	13,313	55,389
Deferred Revenue .....	42,428	20,057	62,485	7,017	69,502
Total Liabilities .....	\$ 211,501	\$ 74,368	\$ 285,869	\$ 154,629	\$ 440,498
<b><u>NET ASSETS</u></b>					
Invested in Capital Assets, Net of Related Debt .....	\$ 174,833	\$ 8,681	\$ 183,514	\$ 458,736	\$ 642,250
Restricted - Expendable .....		4,849	4,849		4,849
Unrestricted .....	( 11,954)	136,181	124,227	212,542	336,769
Total Net Assets .....	\$ 162,879	\$ 149,711	\$ 312,590	\$ 671,278	\$ 983,868
Total Liabilities and Net Assets ..	\$ 374,380	\$ 224,079	\$ 598,459	\$ 825,907	\$ 1,424,366

See Accompanying Notes to Financial Statements

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004

EXHIBIT B

			Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Units
<u>FUNCTIONS</u>						
Primary Government:						
Governmental Activities						
General Functions .....	\$ 77,440	\$ 11,061	\$ 25,986		\$( 40,393)	
Special Revenue Functions .	<u>1,075,761</u>	<u>429,008</u>	<u>772,933</u>		<u>126,180</u>	
Total Governmental Activities .....	\$ 1,153,201	\$ 440,069	\$ 798,919	-	\$ 85,787	-
Component Units .....	2,295,697	888,268	1,085,189	144,724		\$(177,516)
<u>GENERAL REVENUES</u>						
Interest Income .....					\$ 358	904
Miscellaneous Income .....					11,396	29,309
Gain on Sale of Assets .....						<u>694</u>
Total General Revenues .....					\$ <u>11,754</u>	\$ <u>30,907</u>
Change in Net Assets .....					\$ 97,541	\$(146,609)
Net Assets, Beginning of Year .....					<u>215,049</u>	<u>817,887</u>
Net Assets, End of Year .....					\$ <u>312,590</u>	\$ <u>671,278</u>

See Accompanying Notes to Financial Statements

COMBINED BALANCE SHEET - ALL FUND TYPES AND  
DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2004

	General Fund	Special Revenue Funds	Agency Fund	Total Primary Government	Component Units	Total Reporting Entity
<b>ASSETS</b>						
Cash and Cash Equivalents .....	\$ 93,627		\$ 26,584	\$ 120,211	\$ 135,452	\$ 255,663
Accounts Receivable .....	9,692	\$ 82,900		92,592	172,077	264,669
Due from Other Funds .....	189,966	37,239		227,205	44,182	271,387
Due from Other Governments						
Federal .....		122,405		122,405	-	122,405
State .....		8,295		8,295	5,221	13,516
Local .....	76,261	1,498		77,759	31,350	109,109
Prepaid Expenditures .....	19,096	300		19,396	23,071	42,467
Loans Receivable .....			4,180	4,180	-	4,180
Investment in Annuity - Note 3 .....			53,373	53,373	-	53,373
Amount to be Provided for Debt						
Retirement .....	871			871	-	871
Capital Assets - Note 4 .....	175,704	51,900		227,604	2,006,350	2,233,954
<b>Total Assets .....</b>	<b>\$ 565,217</b>	<b>\$ 304,537</b>	<b>\$ 84,137</b>	<b>\$ 953,891</b>	<b>\$ 2,417,703</b>	<b>\$ 3,371,594</b>
<b>LIABILITIES</b>						
Accounts Payable .....	\$ 26,842	\$ 31,354		\$ 58,196	\$ 82,278	\$ 140,474
Loan Payable - Current Year - Note 5 .....	871			871	-	871
Due to Other Funds .....	81,421	173,420		254,841	16,546	271,387
Due to Other Governments:						
Federal .....				-	-	-
State .....			\$ 30,764	30,764	-	30,764
Local .....				-	8,375	8,375
Tenant Escrow .....				-	5,870	5,870
Accrued Wages and Benefits .....	107,611	14,630		122,241	37,776	160,017
Accrued Vacation Pay .....	33,749	8,327		42,076	13,313	55,389
Deferred Compensation - Note 3 .....			53,373	53,373	-	53,373
Deferred Revenue .....	42,428	20,057		62,485	7,017	69,502
<b>Total Liabilities .....</b>	<b>\$ 292,922</b>	<b>\$ 247,788</b>	<b>\$ 84,137</b>	<b>\$ 624,847</b>	<b>\$ 171,175</b>	<b>\$ 796,022</b>
<b>FUND EQUITY</b>						
Invested in Capital Assets .....	\$ 175,704	\$ 51,900		\$ 227,604	\$ 2,006,350	\$ 2,233,954
Fund Balance:						
Reserve for Prepaid Expenditures .....	19,096			19,096	23,071	42,167
Unreserved .....	77,495	4,849		82,344	217,107	299,451
<b>Total Fund Equity .....</b>	<b>\$ 272,295</b>	<b>\$ 56,749</b>	<b>-</b>	<b>\$ 329,044</b>	<b>\$ 2,246,528</b>	<b>\$ 2,575,572</b>
<b>Total Liabilities and Fund Equity .....</b>	<b>\$ 565,217</b>	<b>\$ 304,537</b>	<b>\$ 84,137</b>	<b>\$ 895,975</b>	<b>\$ 2,417,703</b>	<b>\$ 3,371,594</b>

See Accompanying Notes to Financial Statements

RECONCILIATION OF THE COMBINED BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2004

<u>RECONCILIATION OF FUND EQUITY TO NET ASSETS</u>	<u>Governmental Activities</u>	<u>Component Units</u>
Total Fund Equity Per Fund Financial Statements ..	\$ 329,044	\$ 2,246,528
Elimination of Interfund Activity for Government-Wide Financial Statements .....	27,636	( 27,636)
Elimination of Amount to be Provided for Debt Retirement .....	( 871)	-
Accumulated Depreciation Not Reported in the Fund Financial Statements .....	( 43,219)	(1,547,614)
Total Net Assets Per Statement of Net Assets .....	\$ 312,590	\$ 671,278

COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2004

	Primary Government			Component Units	
	General Fund	Special Revenue Fund	Total	Component Units	Total
<b>REVENUES</b>					
Federal and State Grants .....		\$ 524,727	\$ 524,727	\$ 1,091,107	\$ 1,615,834
Membership Dues .....	\$ 25,986	153,757	179,743	-	179,743
Local Assessments .....		94,449	94,449	138,806	233,255
Contract Services Income .....	91,131	429,008	520,139	888,268	1,408,407
Interest Income .....	358		358	904	1,262
Miscellaneous Income .....	4,888	6,508	11,396	29,309	40,705
Sale of Equipment .....			-	694	694
<b>Total Revenues .....</b>	<b>\$ 122,363</b>	<b>\$ 1,208,449</b>	<b>\$ 1,330,812</b>	<b>\$ 2,149,088</b>	<b>\$ 3,479,900</b>
<b>EXPENDITURES</b>					
Salaries and Benefits .....		\$ 624,657	\$ 624,657	\$ 1,193,706	\$ 1,818,363
Rent .....		561	561	28,361	28,922
Travel and Training .....		50,478	50,478	11,646	62,124
Communications .....		2,714	2,714	8,197	10,911
Supplies .....		35,243	35,243	16,866	52,109
Insurance .....			-	156,826	156,826
Dues and Subscriptions .....		1,560	1,560	4,176	5,736
Professional Fees .....		1,121	1,121	2,757	3,878
Purchased Services .....		14,899	14,899	2,544	17,443
Interest .....	\$ 5,000		5,000	-	5,000
Equipment and Maintenance .....		106	106	496,379	496,485
Contractual Payments .....		96,728	96,728	217,003	313,731
Advertising .....	1,120	6,948	8,068	11,486	19,554
Indirect/Administrative .....	91,131	315,518	406,649	80,070	486,719
Miscellaneous .....	2,498		2,498	18,095	20,593
<b>Total Expenditures .....</b>	<b>\$ 99,749</b>	<b>\$ 1,150,533</b>	<b>\$ 1,250,282</b>	<b>\$ 2,248,112</b>	<b>\$ 3,498,394</b>
Excess (Deficiency) of Revenues Over Expenditures .....	\$ 22,614	\$ 57,916	\$ 80,530	\$( 99,024)	\$( 18,494)
<b>TRANSFERS IN (OUT) .....</b>	<b>57,916</b>	<b>( 57,916)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net .....</b>	<b>\$ 80,530</b>	<b>-</b>	<b>\$ 80,530</b>	<b>\$( 99,024)</b>	<b>\$( 18,494)</b>
Fund Balance - Beginning of Year .....	16,061	4,849	20,910	339,202	360,112
Fund Balance - End of Year .....	\$ 96,591	\$ 4,849	\$ 101,440	\$ 240,178	\$ 341,618

See Accompanying Notes to Financial Statements

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Governmental Activities</u>	<u>Component Units</u>
Net Change in Fund Balances .....	\$ 80,530	\$( 99,024)
Capital Outlays Reported as Expenditures in the Fund Statement .....	15,153	174,991
Additional Depreciation Expense Reported in the Statement of Activities .....	(25,778)	(194,940)
Elimination of Interfund Activity .....	<u>27,636</u>	<u>( 27,636)</u>
Change in Net Assets Per Statement of Activities ..	\$ <u>97,541</u>	\$( <u>146,609</u> )

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Siouland Interstate Metropolitan Planning Council (The Council or SIMPCO) was organized in 1965 to provide planning activities for member governmental bodies. The Council currently has 61 voluntary member governments from Iowa, Nebraska and South Dakota.

A. Reporting Entity

For financial reporting purposes, the Council has included all funds, organizations, account groups, 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 or incomplete. 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 Agency 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 Agency. The Council has three component units which meet the Governmental Accounting Standards Board criteria.

Component Units - The Siouland Regional Transit System was organized to improve and coordinate transportation services in Ida, Monona, Plymouth and Woodbury counties in Iowa. The Tri-State Graduate Center was organized to facilitate the delivery of graduate education to Siouland residents through the colleges and universities in Iowa, Nebraska and South Dakota. The Northeast Nebraska Joint Housing Authority administers the housing voucher and certificate program for residents in rural Dakota, Dixon, and Wayne Counties in Nebraska. All entities are discretely presented in these financial statements and their separate financial statements are included.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Cont.)

B. Basis of Presentation

Entity-Wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents the Council's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

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

Restricted Net Assets - Net assets subject to constraints on net asset use that are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

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.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(Cont.) B. Basis of Presentation (Cont.)

Fund Financial Statements - The various funds and their designated purposes are as follows:

General Fund - The General Fund is the general operating fund of the Council. It accounts for all financial resources of SIMPCO that are not required to be accounted for in the 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 - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

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.

C. Measurement Focus and Basis of Accounting

The entity-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 billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Fund financial statements are reported using the current financial resources measurement focus and 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.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

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

Cash and Cash Equivalents - The Council considers all liquid investments with maturities of three months or less when purchased to be cash and cash equivalents.

Allowance for Doubtful Accounts - All significant receivables of the Council are considered collectible at June 30, 2004. Therefore, no allowance for doubtful accounts is considered necessary.

Due From Other Governments - Accounts receivable from Federal, state and local governments represent the earned portion of grant contracts between the Council 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.

Capital assets, which include vehicles, electronics, and office furniture, are reported in the applicable activities column of the Statement of Net Assets. Capital assets are recorded at historical cost if purchased. Donated capital assets are recorded at 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 not capitalized. Capital assets of the Council 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

Compensated Absences - A total of 20 days vacation may be accumulated by each employee. The Council has accrued a liability of \$55,389 at June 30, 2004, for vacation pay which has been earned but not taken by the Council employees. The liability has been computed based on rates of pay in effect at June 30, 2004.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

E. Membership Dues and Local Assessments

Dues and 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.

F. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Allocation of Indirect Costs

Costs which cannot be specifically identified with a particular program are allocated to all programs having current activity on the basis of direct labor hours.

Note 2 - DEPOSITS

The Council's deposits in banks at June 30, 2004, 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.

Note 3 - INVESTMENT IN ANNUITY

The Council and a former Executive Director entered into an agreement on December 8, 1988, in which the Director agreed to retire at age 65, in exchange for an annuity. The net surrender value of the annuity at June 30, 2004, is \$53,373. Monthly installments are currently at \$571. The assets are solely the property rights of SIMPCO, subject only to the claims of SIMPCO's general creditors.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2004, is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Capital Assets:				
General Activities Equipment	\$ 413,120	\$ 15,153		\$ 428,273
Office Equipment:				
TGC	47,424			47,424
MPO/RPA	39,888			39,888
SEDC Equipment	12,012			12,012
SRTS Equipment	1,826,266	172,926		1,999,192
Housing Equipment	<u>13,707</u>	<u>2,065</u>		<u>15,772</u>
Totals	\$ 2,352,417	\$ 190,144	-	\$ 2,542,561
Less Accumulated Depreciation:				
General Activities Equipment	\$ 230,284	\$ 22,285		\$ 252,569
Office Equipment:				
TGC	41,505	2,143		43,648
MPO/RPA	33,664	1,772		35,436
SEDC Equipment	6,063	1,721		7,784
SRTS Equipment	1,356,270	191,344		1,547,614
Housing Equipment	<u>10,936</u>	<u>1,453</u>		<u>12,389</u>
	\$ <u>1,678,722</u>	\$ <u>220,718</u>	-	\$ <u>1,899,440</u>
Net Capital Assets	\$ <u>673,695</u>	\$ ( <u>30,574</u> )	-	\$ <u>643,121</u>

The beginning of the year accumulated depreciation amounts for MPO/RPA, SEDC, and SRTS reflect the change caused by the conversion to full accrual, which is more fully described in Note 11.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 5 - LONG-TERM DEBT

The Council entered into a loan agreement with a local financial institution on July 30, 1999. Proceeds of \$42,742 were used to purchase software. The annual debt service requirements, including interest at the rate of 8.410% per annum are as follows:

<u>Year Ending June 30,</u>	
2005 .....	\$ <u>877</u>
	\$ 877
Less Interest .....	<u>6</u>
Total .....	\$ <u>871</u>

Note 6 - EMPLOYEE BENEFITS

Retirement Benefits - In 1975, the Planning 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 pension plan. Each participant is required to contribute five percent of his or her compensation, which is matched by the Council. Participants may voluntarily contribute up to an additional ten percent of their compensation. The Council is not required to match employee voluntary contributions. Amounts for the year ended June 30, 2004, are as follows:

Employee Contributions .....	\$ 27,269
Employer Contributions .....	\$ 27,269

All contributions due to the pension plan have been made, as of June 30, 2004. The multiple plan provides quarterly and stand-alone annual financial statements to participants.

The Council contributed to the TIAA-CREF retirement program, which is a defined contribution plan, on behalf of its Tri-State Graduate Center (TGC) employees until May 1, 2004, when the TGC employees became SIMPCO employees. TIAA administers the retirement plan for the Council. The defined contribution retirement plan provides individual annuities for each plan participant.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 6 - EMPLOYEE BENEFITS

(Cont.)

Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each covered employee was required to contribute 5.0% and the Council was required to match that 5.0%. The Council's and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2004, were each \$3,606.

Deferred Compensation - 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, 2004, were \$13,163.

The Council accounts for and reports its deferred compensation plan under the provisions of GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans".

Partially Self-Insured Health Insurance Plan - The Council participates in a partially self-funded health insurance plan for Council's 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 \$145,000. At June 30, 2004, \$39,694 was included in accrued wages and benefits.

Note 7 - RELATED PARTY DISCLOSURE

The City of Sioux City is a member of SIMPCO and paid dues of \$76,762 during the year. An agreement exists between the City and SIMPCO whereby the City serves as a pass-through depository. All receipts are recorded by SIMPCO and taken to the City for inclusion in their bank deposit. Accounts payable and payroll are computed and recorded by SIMPCO and listings are submitted to the City from which they prepare checks for SIMPCO. The parties intend to accrue interest expense/income quarterly at the T-bill rate. The transactions and balance due from the City are as follows:

Balance at July 1, 2003	.....	\$	120,736
Receipts	.....		2,889,055
Disbursements	.....		(2,933,530)
Balance at June 30, 2004	.....	\$	<u>76,261</u>

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 7 - RELATED PARTY DISCLOSURE

(Cont.) The above amount is included in the General Activities amount due from local governments.

Note 8 - OPERATING LEASES

The Council leases various office facilities and equipment under agreements that have been classified as operating leases and accordingly, all rents are expensed as incurred. Total rental for the year was \$52,756. Of this amount, \$23,834 is included in indirect/administrative.

Note 9 - SICK PAY

The Council has elected not to accrue sick leave based on the fact that while sick leave accumulates, it does not vest and an employee has to be absent due to illness for sick leave to be paid. No estimate of the occurrence rate of future employee illness could be made.

Note 10 - RISK MANAGEMENT

SIMPCO is exposed to various risks of loss related to torts; theft of, 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 for the past three years.

Note 11 - ACCOUNTING CHANGE

For the year ended June 30, 2004, the Council implemented Governmental Accounting Standards Board Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and Statement Number 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus. These statements create new basic financial statements for reporting the Council's financial activities. The significant changes in these financial statements include the recording and depreciation of capital assets, the elimination of internal revenue and expense charges, the removal of capital-related items from revenues and expenditures, and the elimination of the account groups.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

Note 11 - ACCOUNTING CHANGE

(Cont.)

The beginning net asset amount in the statement of activities reflects the change in net assets caused by the conversion to full accrual, which records depreciation on capital assets.

<u>Basic Financial Statements</u>	<u>Total</u>
Net Assets at June 30, 2003 .....	\$ 2,471,309
Accumulated Depreciation .....	(1,437,502)
Elimination of Amount to be Provided for Debt Retirement .....	( 871)
Net Assets, as Restated, July 1, 2003	\$ <u>1,032,936</u>
Reported as follows:	
Governmental Activities .....	\$ 215,049
Component Units .....	<u>817,887</u>
	\$ <u>1,032,936</u>

Note 12 - CONTINGENCIES

One of SIMPCO's component units, Siouxland Regional Transit System, is currently involved in certain legal matters which are being defended in the ordinary course of business. The liability, if any, associated with these matters is not determinable at June 30, 2004.

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

JUNE 30, 2004

ASSETS

	<u>MPO/RPA</u>	<u>Economic Development</u>	<u>Lewis &amp; Clark</u>	<u>Hazmat Services</u>	<u>Other Member Projects</u>	<u>Total Special Revenue</u>
<b>ASSETS</b>						
Accounts Receivable .....				\$ 5,354	\$ 77,546	\$ 82,900
Due from Other Funds .....		\$ 31,707	\$ 683		4,849	37,239
Due from Other Governments:						
Federal .....	\$ 58,022	44,138	16,200	4,045		122,405
State .....	8,295					8,295
Local .....	1,498					1,498
Prepaid Expenditures .....				300		300
Capital Assets .....	<u>39,888</u>	<u>12,012</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>51,900</u>
Total Assets .....	\$ <u>107,703</u>	\$ <u>87,857</u>	\$ <u>16,883</u>	\$ <u>9,699</u>	\$ <u>82,395</u>	\$ <u>304,537</u>

LIABILITIES AND FUND EQUITY

<b>LIABILITIES</b>						
Accounts Payable .....	\$ 8,647	\$ 8,768	\$ 3,550	\$ 6,205	\$ 4,184	\$ 31,354
Due to Other Funds .....	59,168	44,120		2,994	67,138	173,420
Due to Other Governments:						
Federal .....						-
State .....						-
Accrued Wages and Benefits .....		14,630				14,630
Accrued Vacation .....		8,327				8,327
Deferred Revenue .....			<u>13,333</u>	<u>500</u>	<u>6,224</u>	<u>20,057</u>
Total Liabilities .....	\$ 67,815	\$ 75,845	\$ 16,883	\$ 9,699	\$ 77,546	\$ 247,788
<b>FUND EQUITY</b>						
Invested in Capital Assets .....	\$ 39,888	\$ 12,012				\$ 51,900
Fund Balance:						
Unreserved .....					\$ 4,849	4,849
Total Fund Equity .....	\$ <u>39,888</u>	\$ <u>12,012</u>	<u>          </u>	<u>          </u>	\$ <u>4,849</u>	\$ <u>56,749</u>
Total Liabilities and Fund Equity .....	\$ <u>107,703</u>	\$ <u>87,857</u>	\$ <u>16,883</u>	\$ <u>9,699</u>	\$ <u>82,395</u>	\$ <u>304,537</u>

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	MPO/RPA	Economic Development	Lewis & Clark	Hazmat Services	Other Member Projects	Total Special Revenue
<b>REVENUES</b>						
Federal and State Grants .....	\$ 235,962	\$ 70,138	\$ 27,738	\$ 15,380	\$ 175,509	\$ 524,727
Membership Dues .....	57,378	45,075			51,304	153,757
Local Assessments .....			35,870	58,454	125	94,449
Contract Services Income .....	1,827	247,279			179,902	429,008
Miscellaneous Income .....			4,035	2,473		6,508
<b>Total Revenues .....</b>	<b>\$ 295,167</b>	<b>\$ 362,492</b>	<b>\$ 67,643</b>	<b>\$ 76,307</b>	<b>\$ 406,840</b>	<b>\$ 1,208,449</b>
<b>EXPENDITURES</b>						
Salaries and Benefits .....	\$ 146,467	\$ 287,264	\$ 11,225	\$ 2,829	\$ 176,872	\$ 624,657
Rent .....	276		285			561
Travel and Training .....	11,770	7,686	2,388	8,629	20,005	50,478
Communications .....	473	811	740		690	2,714
Supplies .....	701	5,292	15,118	6,551	7,581	35,243
Dues and Subscriptions .....	931		210		419	1,560
Purchased Services .....	11,917	178	2,155	400	249	14,899
Professional Fees .....	532				589	1,121
Equipment and Maintenance .....		106				106
Contractual Payments .....			22,151	55,954	18,623	96,728
Advertising .....	112		6,380		456	6,948
Indirect/Administrative .....	123,007	42,129	6,991	2,126	141,265	315,518
Miscellaneous .....						-
<b>Total Expenditures .....</b>	<b>\$ 296,186</b>	<b>\$ 343,466</b>	<b>\$ 67,643</b>	<b>\$ 76,489</b>	<b>\$ 366,749</b>	<b>\$ 1,150,533</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures ...	\$( 1,019)	\$ 19,026	-	\$( 182)	\$ 40,091	\$ 57,916
<b>TRANSFERS IN (OUT) .....</b>	<b>1,019</b>	<b>( 19,026)</b>		<b>182</b>	<b>( 40,091)</b>	<b>( 57,916)</b>
Net .....	-	-	-	-	-	-
Fund Balance - Beginning of Year .....	-	-	-	-	\$ 4,849	\$ 4,849
Fund Balance - End of Year .....	-	-	-	-	\$ 4,849	\$ 4,849

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

METROPOLITAN AND REGIONAL PLANNING

FOR THE YEAR ENDED JUNE 30, 2004

	Regional Planning Affiliation STP	Regional Planning Affiliation FTA	Iowa Federal Highway Planning	Nebraska Federal Highway Planning	So. Dakota Federal Highway Planning	Regional Planning Affiliation FTA	Dakota Dunes Roundabout	Total
<b>REVENUES</b>								
Federal and State Grants .....	\$ 20,000	\$ 13,108	\$ 59,191	\$ 80,000	\$ 23,920	\$ 31,448	\$ 8,295	\$ 235,962
Membership Dues .....	5,000	3,277	15,970	20,000	5,269	7,862		57,378
Contracted Services .....							1,827	1,827
Total Revenues .....	\$ 25,000	\$ 16,385	\$ 75,161	\$ 100,000	\$ 29,189	\$ 39,310	\$ 10,122	\$ 295,167
<b>EXPENDITURES</b>								
Salaries and Benefits .....	\$ 13,609	\$ 8,647	\$ 34,990	\$ 53,405	\$ 14,791	\$ 21,025		\$ 146,467
Rent .....	63	63	150					276
Travel and Training .....	607	256	7,231	1,010	1,162	1,504		11,770
Communications .....			168	160	86	59		473
Supplies .....	68	46	343	110	32	102		701
Dues and Subscriptions .....			901	30				931
Purchased Services .....			1,795				\$ 10,122	11,917
Professional Fees .....					532			532
Advertising .....			72		40			112
Indirect/Administrative .....	11,395	7,650	29,511	45,285	12,546	16,620		123,007
Total Expenditures .....	\$ 25,742	\$ 16,662	\$ 75,161	\$ 100,000	\$ 29,189	\$ 39,310	\$ 10,122	\$ 296,186
(Deficiency) of Revenues Over Expenditures .....	\$ ( 742)	\$ ( 277)	-	-	-	-	-	\$ ( 1,019)
TRANSFERS IN .....	742	277						1,019
Net .....	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year ..	-	-	-	-	-	-	-	-
Fund Balance - End of Year .....	-	-	-	-	-	-	-	-

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ECONOMIC DEVELOPMENT FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	EDA Administration	Siouxland Economic Development Corporation	Microloan Demonstration Project	Loan Servicing and Management	Total Economic Development Funds
<u>REVENUES</u>					
Federal and State Grants	\$ 70,138				\$ 70,138
Membership Dues	23,380	\$ 21,695			45,075
Contract Services Income		46,541	\$ 20,193	\$ 180,545	247,279
<b>Total Revenues</b>	<b>\$ 93,518</b>	<b>\$ 68,236</b>	<b>\$ 20,193</b>	<b>\$ 180,545</b>	<b>\$ 362,492</b>
<u>EXPENDITURES</u>					
Salaries and Benefits	\$ 76,858	\$ 23,714	\$ 18,360	\$ 168,332	\$ 287,264
Travel and Training			1,768	5,918	7,686
Communications			7	804	811
Supplies	27		58	5,207	5,292
Purchased Services				178	178
Equipment and Maintenance				106	106
Indirect/Administrative	28,344	13,785			42,129
<b>Total Expenditures</b>	<b>\$ 105,229</b>	<b>\$ 37,499</b>	<b>\$ 20,193</b>	<b>\$ 180,545</b>	<b>\$ 343,466</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$( 11,711)	\$ 30,737	-	-	\$ 19,026
<u>TRANSFERS IN (OUT)</u>	<u>11,711</u>	<u>(30,737)</u>			<u>( 19,026)</u>
Net	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-
Fund Balance - End of Year	-	-	-	-	-

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS

FOR THE YEAR ENDED JUNE 30, 2004

	COG Assistance	Akron Codes	Cherokee County Codes	Cleghorn Codes	Community Development Projects	Dakota City Codes	Dakota County Codes	Dixon County Codes	Emerson Codes
<b>REVENUES</b>									
Federal and State Grants	\$ 9,375					\$ 715			
Membership Dues					\$ 42,656				
Local Assessments									
Contract Services Income		\$ 2,142	\$ 2,463	\$ 500	25	4,680	\$ 8,342	\$ 5,908	\$ 3,354
Miscellaneous Income									
<b>Total Revenues</b>	<b>\$ 9,375</b>	<b>\$ 2,142</b>	<b>\$ 2,463</b>	<b>\$ 500</b>	<b>\$ 42,681</b>	<b>\$ 5,395</b>	<b>\$ 8,342</b>	<b>\$ 5,908</b>	<b>\$ 3,354</b>
<b>EXPENDITURES</b>									
Salaries and Benefits	\$ 6,021	\$ 1,556	\$ 1,475	\$ 300	\$ 21,156	\$ 3,550	\$ 6,367	\$ 4,456	\$ 1,202
Professional Fees					589				
Travel and Training		24	269		5,202	115	59	164	146
Communications					358				
Supplies			4		3,289		37	121	
Dues and Subscriptions					419				
Purchased Services					200				
Contractual Payments									
Advertising					456				
Indirect/Administrative	4,416	1,214	1,295	232	17,146	2,539	4,649	3,293	1,177
Miscellaneous									
<b>Total Expenditures</b>	<b>\$ 10,437</b>	<b>\$ 2,794</b>	<b>\$ 3,043</b>	<b>\$ 532</b>	<b>\$ 48,815</b>	<b>\$ 6,204</b>	<b>\$ 11,112</b>	<b>\$ 8,034</b>	<b>\$ 2,525</b>
Excess (Deficiency) of Revenues Over Expenditures	\$( 1,062)	\$( 652)	\$( 580)	\$( 32)	\$( 6,134)	\$( 809)	\$( 2,770)	\$( 2,126)	\$ 829
<b>TRANSFERS IN (OUT)</b>	<b>1,062</b>	<b>652</b>	<b>580</b>	<b>32</b>	<b>6,134</b>	<b>809</b>	<b>2,770</b>	<b>2,126</b>	<b>( 829)</b>
Net	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	-	-	-	-	-	-	-	-	-

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

	EPA	Homer Codes	Jackson Codes	Kingsley Codes	Marcus Codes	Maskell Codes	Missouri River	Monona County Codes	Nebraska Home Monitoring
<b>REVENUES</b>									
Federal and State Grants	\$ 15,360					\$ 2,500			\$ 91,430
Membership Dues							\$ 125		
Local Assessments								\$ 524	
Contract Services Income		\$( 500)	\$ 2,691	\$ 922	\$ 6,015	621			
Miscellaneous Income									
<b>Total Revenues</b>	<b>\$ 15,360</b>	<b>\$( 500)</b>	<b>\$ 2,691</b>	<b>\$ 922</b>	<b>\$ 6,015</b>	<b>\$ 3,121</b>	<b>\$ 125</b>	<b>\$ 524</b>	<b>\$ 91,430</b>
<b>EXPENDITURES</b>									
Salaries and Benefits	\$ 1,190	\$ 1,618	\$ 1,297	\$ 388	\$ 2,674	\$ 2,334		\$ 208	\$ 10,043
Professional Fees									
Travel and Training	969	148	25	60	500	199	\$ 5	54	3,054
Communications	10								322
Supplies		56		45					353
Dues and Subscriptions									
Purchased Services					25				24
Contractual Payments	12,416	80					80		
Advertising									
Indirect/Administrative	775	1,382	1,268	383	2,571	1,888	40	195	7,900
Miscellaneous									
<b>Total Expenditures</b>	<b>\$ 15,360</b>	<b>\$ 3,284</b>	<b>\$ 2,590</b>	<b>\$ 876</b>	<b>\$ 5,770</b>	<b>\$ 4,421</b>	<b>\$ 125</b>	<b>\$ 457</b>	<b>\$ 21,696</b>
Excess (Deficiency) of Revenues Over Expenditures	-	\$(3,784)	\$ 101	\$ 46	\$ 245	\$(1,300)	-	\$ 67	\$ 69,734
<b>TRANSFERS IN (OUT)</b>		<b>3,784</b>	<b>( 101)</b>	<b>( 46)</b>	<b>( 245)</b>	<b>1,300</b>		<b>( 67)</b>	<b>(69,734)</b>
Net	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year	-	-	-	-	-	-	-	-	-

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

	Newcastle Codes	Onawa Codes	Pender Codes	Plymouth County Codes	Ponca Codes	SCPP Codes	Sgt. Bluff Codes	Sioux City Codes	Sloan Codes
<b>REVENUES</b>									
Federal and State Grants .....						\$ 56,129			
Membership Dues .....						8,648			
Local Assessments .....									
Contract Services Income .....	\$ 2,177	\$ 15,861	\$ 11,325	\$ 9,831	\$ 2,334	50,456	\$ 5,151	\$ 1,196	\$ 2,000
Miscellaneous .....									
Total Revenues .....	\$ 2,177	\$ 15,861	\$ 11,325	\$ 9,831	\$ 2,334	\$ 115,233	\$ 5,151	\$ 1,196	\$ 2,000
<b>EXPENDITURES</b>									
Salaries and Benefits .....	\$ 905	\$ 6,860	\$ 4,881	\$ 9,594	\$ 1,934	\$ 60,213	\$ 2,399	\$ 732	\$ 1,668
Professional Fees .....									
Travel and Training .....	132	903	592	773	345	3,849	175		31
Communications .....									
Supplies .....		559		208		645			
Dues and Subscriptions .....									
Purchased Services .....									
Contractual Payments .....			1,920		500	3,547			
Advertising .....									
Indirect/Administrative .....	865	6,578	4,101	8,015	1,669	46,768	2,253	664	1,647
Miscellaneous .....									
Total Expenditures .....	\$ 1,902	\$ 14,900	\$ 11,494	\$ 18,590	\$ 4,448	\$ 115,022	\$ 4,827	\$ 1,396	\$ 3,346
Excess (Deficiency) of Revenues Over Expenditures .....	\$ 275	\$ 961	\$ ( 169)	\$ ( 8,759)	\$ (2,114)	\$ 211	\$ 324	\$ ( 200)	\$ (1,346)
TRANSFERS IN (OUT) .....	( 275)	( 961)	169	8,759	2,114	( 211)	( 324)	200	1,346
Net .....	-	-	-	-	-	-	-	-	-
Fund Balance - Beginning of Year .....	-	-	-	-	-	-	-	-	-
Fund Balance - End of Year .....	-	-	-	-	-	-	-	-	-

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

	South Dakota Counties PDM	South Sioux Codes	Wakefield Codes	Washta Codes	Whiting Codes	Total
<b>REVENUES</b>						
Federal and State Grants .....						\$ 175,509
Membership Dues .....						51,304
Local Assessments .....						125
Contract Services Income .....	\$ 16,662	\$ 5,446	\$ 9,857	\$ 3,443	\$ 6,476	179,902
Miscellaneous Income .....						-
<b>Total Revenues .....</b>	<b>\$ 16,662</b>	<b>\$ 5,446</b>	<b>\$ 9,857</b>	<b>\$ 3,443</b>	<b>\$ 6,476</b>	<b>\$ 406,840</b>
<b>EXPENDITURES</b>						
Salaries and Benefits .....	\$ 7,253	\$ 3,254	\$ 5,537	\$ 1,374	\$ 4,433	\$ 176,872
Professional Fees .....						589
Travel and Training .....	259	434	990	304	225	20,005
Communications .....						690
Supplies .....	1,945			286	33	7,581
Dues and Subscriptions .....						419
Purchased Services .....						249
Contractual Payments .....			80			18,623
Advertising .....						456
Indirect/Administrative .....	5,815	2,178	3,637	1,294	3,418	141,265
Miscellaneous .....						-
<b>Total Expenditures .....</b>	<b>\$ 15,272</b>	<b>\$ 5,866</b>	<b>\$ 10,244</b>	<b>\$ 3,258</b>	<b>\$ 8,109</b>	<b>\$ 366,749</b>
Excess (Deficiency) of Revenues Over Expenditures .....	\$ 1,390	\$( 420)	\$( 387)	\$ 185	\$(1,633)	\$ 40,091
<b>TRANSFERS IN (OUT) .....</b>	<b>( 1,390)</b>	<b>420</b>	<b>387</b>	<b>( 185)</b>	<b>1,633</b>	<b>( 40,091)</b>
Net .....	-	-	-	-	-	-
Fund Balance - Beginning of Year .	-	-	-	-	-	-
Fund Balance - End of Year .....	-	-	-	-	-	-

SCHEDULE OF FIDUCIARY NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Cardinal Development Inc.</u>	<u>Deferred Compensation</u>	<u>Total Agency Funds</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash and Cash Equivalents .....	\$ 26,584		\$ 26,584
Loan Receivable .....	4,180		4,180
Investment in Annuity .....	_____	\$ 53,373	53,373
Total Assets .....	\$ <u>30,764</u>	\$ <u>53,373</u>	\$ <u>84,137</u>
 <u>LIABILITIES, EQUITY, AND OTHER CREDITS</u>			
Liabilities:			
Due to State Governments .....	\$ 30,764		\$ 30,764
Deferred Compensation - Note 3 ...	_____	\$ 53,373	53,373
Total Liabilities .....	\$ <u>30,764</u>	\$ <u>53,373</u>	\$ <u>84,137</u>

## COMBINING BALANCE SHEET

## COMPONENT UNITS

JUNE 30, 2004

<u>ASSETS</u>	Siouxland Regional Transit System	Tri- State Graduate Center	Northeast Nebraska Joint Housing Authority	Total Component Units
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 67,918	\$ 36,473	\$ 31,061	\$ 135,452
Accounts Receivable	138,939	558	32,580	172,077
Due from Other Funds	41,895	2,287		44,182
Due from Other Governments:				
Federal				
State	5,221			5,221
Local	31,350			31,350
Prepaid Expenditures	9,913		13,158	23,071
Capital Assets	<u>1,999,192</u>	<u>3,775</u>	<u>3,383</u>	<u>2,006,350</u>
Total Assets	\$ <u>2,294,428</u>	\$ <u>43,093</u>	\$ <u>80,182</u>	\$ <u>2,417,703</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 79,525	\$ 2,647	\$ 106	\$ 82,278
Due to Other Funds			16,546	16,546
Due to Other Governments:				
Federal				
State				
Local	8,375			8,375
Tenant Escrow			5,870	5,870
Accrued Wages and Benefits	33,310	4,466		37,776
Accrued Vacation	9,774	3,539		13,313
Deferred Revenue	<u>1,591</u>	<u>5,348</u>	<u>78</u>	<u>7,017</u>
Total Liabilities	\$ 132,575	\$ 16,000	\$ 22,600	\$ 171,175
<u>FUND EQUITY</u>				
Invested in Capital Assets	\$ 1,999,192	\$ 3,775	\$ 3,383	\$ 2,006,350
Fund Balance:				
Reserve for Prepaid Expenditures	9,913		13,158	23,071
Unreserved	<u>152,748</u>	<u>23,318</u>	<u>41,041</u>	<u>217,107</u>
Total Fund Equity	\$ <u>2,161,853</u>	\$ <u>27,093</u>	\$ <u>57,582</u>	\$ <u>2,246,528</u>
Total Liabilities and Fund Equity	\$ <u>2,294,428</u>	\$ <u>43,093</u>	\$ <u>80,182</u>	\$ <u>2,417,703</u>

See Independent Auditors' Report

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

COMPONENT UNITS

JUNE 30, 2004

<u>Siouxland Regional Transit System</u>					
<u>REVENUE</u>	<u>Operation</u>	<u>Building</u>	<u>South Dakota Service</u>	<u>Capital</u>	<u>Total Siouxland Regional Transit System</u>
Federal and State					
Grants .....	\$ 464,452		\$ 33,096	\$ 144,724	\$ 642,272
Local Assessments ..	82,556		23,250	30,000	135,806
Program Income .....					-
Contract Services					
Income .....	881,117		7,151		888,268
Interest Income ....	411				411
Miscellaneous .....	24,884				24,884
Sale of Equipment ..				694	694
Total Revenues .	\$ 1,453,420	-	\$ 63,497	\$ 175,418	\$ 1,692,335
 <u>EXPENDITURES</u>					
Salaries and Benefits .	\$ 967,827		\$ 42,405		\$ 1,010,232
Rent .....	21,102		3,500		24,602
Travel and Training .	7,759				7,759
Communications .....	5,215		468		5,683
Supplies .....	7,244				7,244
Insurance .....	153,035		3,291		156,326
Dues and Subscriptions	2,751				2,751
Professional Fees ..	147				147
Purchased Services .	2,386				2,386
Equipment and					
Maintenance .....	308,720		7,145	\$ 175,957	491,822
Contractual Payments .	6,550				6,550
Advertising .....	5,873		326		6,199
Indirect/					
Administrative ...	58,791		7,709		66,500
Miscellaneous .....	16,983				16,983
Total					
Expenditures .	\$ 1,564,383	-	\$ 64,844	\$ 175,957	\$ 1,805,184
Excess					
(Deficiency) of					
Revenues Over					
Expenditures .	\$ ( 110,963)	-	\$ ( 1,347)	\$ ( 539)	\$ ( 112,849)
Fund Balance - Beginning					
of Year .....	135,515	\$ 40,000	4,390	95,605	275,510
Fund Balance - End of					
Year .....	\$ 24,552	\$ 40,000	\$ 3,043	\$ 95,066	\$ 162,661

Tri-State Graduate Center				Northeast Nebraska Joint Housing Authority				
Iowa Graduate Center	Nebraska Graduate Center	South Dakota Graduate Center	Total Tri-State Graduate Center	Northeast Nebraska Housing	NE Nebraska Housing - FSS Coordinator	NE Nebraska Housing - FSS Home Coordinator	Total NE Nebraska Joint Housing Authority	Total Component Units
\$ 78,366 2,000	\$ 43,312 1,000	\$ 8,178	\$ 129,856 3,000	\$ 256,981	\$ 34,913	\$ 27,085	\$ 318,979	\$ 1,091,107 138,806
90	49	9	148	345				888,268
1,368	575		1,943	2,482			2,482	904 29,309
								694
\$ 81,824	\$ 44,936	\$ 8,187	\$ 134,947	\$ 259,808	\$ 34,913	\$ 27,085	\$ 321,806	\$ 2,149,088
\$ 63,489 2,279 622 1,122 4,823 303 460 127	\$ 34,867 1,252 342 616 2,649 167 252 70	\$ 6,352 228 62 112 483 30 46 13	\$ 104,708 3,759 1,026 1,850 7,955 500 758 210	\$ 15,270 2,861 664 1,667 667 2,400 158	\$ 36,405	\$ 27,091	\$ 78,766 - 2,861 664 1,667 - 667 2,400 158	\$ 1,193,706 28,361 11,646 8,197 16,866 156,826 4,176 2,757 2,544
1,511	830	151	2,492	2,065			2,065	496,379
3,175	1,743	318	5,236	210,453 51			210,453 51	217,003 11,486
3,638 49	1,998 26	364 5	6,000 80	7,570 1,032			7,570 1,032	80,070 18,095
\$ 81,598	\$ 44,812	\$ 8,164	\$ 134,574	\$ 244,858	\$ 36,405	\$ 27,091	\$ 308,354	\$ 2,248,112
\$ 226	\$ 124	\$ 23	\$ 373	\$ 14,950	\$ ( 1,492)	\$ ( 6)	\$ 13,452	\$ ( 99,024)
15,051	7,312	582	22,945	43,279	( 2,532)	-	40,747	339,202
\$ 15,277	\$ 7,436	\$ 605	\$ 23,318	\$ 58,229	\$ ( 4,024)	\$ ( 6)	\$ 54,199	\$ 240,178

See Independent Auditors' Report

SINGLE AUDIT

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004

SCHEDULE 9

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Federal Disbursements/ Expenditures</u>
Direct:			
<u>DEPARTMENT OF COMMERCE</u>			
Economic Development - Support for	11.302	05-83-03842	\$ 26,000
Planning Organizations	11.302	05-86-03968	44,138
Economic Development - Technical			
Assistance	11.303	05-06-03853	<u>27,738</u>
Total U. S. Department of Commerce			\$ 97,876
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Surveys, Studies, Investigations			
and Special Purpose Grant	66.606		\$ 15,360
<u>DEPARTMENT OF AGRICULTURE</u>			
Rural Business Opportunity Grant	10.773	N/A	\$ 56,129
Indirect:			
<u>DEPARTMENT OF TRANSPORTATION</u>			
Iowa Department of Transportation:			
Formula Grants for Non-Urbanized			
Areas	20.509	18-4024-040-04	\$ 194,503
Non-Urban Capital Assistance Project	20.509	18-0023-040-02	108,213
State Planning and Research	20.515	04-MPO-SIMPCO	90,639
State Planning and Research	20.515	04-RPA-04	33,108
Job Access - Reverse Commute Project	20.516	37-X009-040-04	14,256
Federal Transit - Capital			
Investment Grants	20.500	03-00XX-040-02	<u>36,511</u>
Total Iowa Department of			
Transportation			\$ 477,230
Highway Planning and Construction - NE	20.205	SPR-PL-1(41)	\$ 80,000
Highway Planning and Construction - SD	20.205	PL 0156(22)	23,920
Section 5311 - SD	20.509		27,616
Dakota Dunes Roundabout Study	20.205		<u>8,295</u>
Total Other State Department of			
Transportation			\$ <u>139,831</u>
Total U. S. Department of			
Transportation			\$ 617,061
<u>DEPARTMENT OF PUBLIC DEFENSE</u>			
Iowa Department of Public Defense:			
Interagency Hazardous Materials			
Public Sector Training and			
Planning	20.703	N/A	\$ 15,380
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Northeast Nebraska Joint Housing Agency:			
Section 8 Housing Choice Vouchers	14.871		\$ 318,979
Home Investments Partnership Program	14.239		<u>91,430</u>
Total Department of Housing and			
Urban Development			\$ <u>410,409</u>
Total Federal Awards			\$ <u>1,212,215</u>

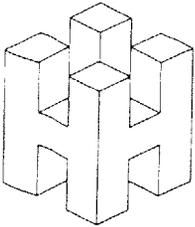
SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

Note 1 - BASIS OF PRESENTATION

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the Federal grant activity of Siouxland Interstate Metropolitan Planning Council. It is presented on the same basis of accounting as the financial statements, which is disclosed in Note 1 of the Notes to Financial Statements. For purposes of this report, the expenditures are also presented in accordance with Circular A-133, Audits of State, Local Governments and Non-Profit Organizations.



HENJES, CONNER,  
WILLIAMS & GRIMSLEY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING  
505 FIFTH STREET  
P.O. BOX 1528  
SIOUX CITY, IOWA 51102

PH. (712) 277-3931  
(800) 274-3931  
FAX (712) 233-3431

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

Siouxland Interstate Metropolitan  
Planning Council  
Sioux City, Iowa

We have audited the financial statements of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, as of and for the year ended June 30, 2004, and have issued our report thereon dated October 19, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Siouxland Interstate Metropolitan Planning Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

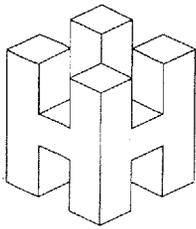
Internal Control Over Financial Reporting

In planning and performing our audit, we considered Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the executive committee, 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.

*Denys, Conner, Williams  
& Grimsley, LLP*  
Certified Public Accountants

Sioux City, Iowa  
October 19, 2004



HENJES, CONNER,  
WILLIAMS & GRIMSLEY, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING  
505 FIFTH STREET  
P.O. BOX 1528  
SIOUX CITY, IOWA 51102

PH. (712) 277-3931  
(800) 274-3931  
FAX (712) 233-3431

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Council  
Siouxland Interstate Metropolitan  
Planning Council  
Sioux City, Iowa

Compliance

We have audited the compliance of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major Federal programs for the year ended June 30, 2004. Siouxland Interstate Metropolitan Planning Council's major Federal programs are identified in the Summary of Auditors' Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of Siouxland Interstate Metropolitan Planning Council's management. Our responsibility is to express an opinion on Siouxland Interstate Metropolitan Planning Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Siouxland Interstate Metropolitan Planning Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Siouxland Interstate Metropolitan Planning Council's compliance with those requirements.

In our opinion, Siouxland Interstate Metropolitan Planning Council complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Siouxland Interstate Metropolitan Planning Council is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Siouxland Interstate Metropolitan Planning Council's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the executive committee, 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.

*Henjes, Connor, Williams  
& Mumsley, LLP*

Certified Public Accountants

Sioux City, Iowa  
October 19, 2004

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

Part I: SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of Auditors' Report Issued: Unqualified

Internal Control Over Financial Reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to Financial statements noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal Control Over Major Programs:

Material weakness(es) identified? \_\_\_\_\_ Yes   X   No

Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Type of Auditors' Report Issued on Compliance for Major Programs:

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? \_\_\_\_\_ Yes   X   No

Major Programs:

CFDA Numbers

Name of Federal Program

20.509

Iowa Dept. of Transportation -  
Formula Grants for  
Non-Urbanized Areas

14.871

U. S. Department of Housing  
and Urban Development  
Northeast Nebraska Joint  
Housing Authority

Dollar Threshold Used to Distinguish Between Type A and Type B Programs

\$ 300,000

Auditee Qualified as Low-Risk Auditee

  X   Yes \_\_\_\_\_ No

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

Part II: FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

None

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

Part III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None