

IOWA NORTHLAND REGIONAL  
COUNCIL OF GOVERNMENTS

INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS

JUNE 30, 2005

- Prepared By -

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Iowa Northland Regional Council of Governments  
Waterloo, IA 50703

I have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2005. These financial statements are the responsibility of INRCOG's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards 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 I 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements present fairly, in all material respects, the financial position of INRCOG at June 30, 2005 and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note 9, during the year ended June 30, 2005, INRCOG adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; *Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*.

In accordance with Government Auditing Standards, I have also issued my reports dated November 22, 2005 on my consideration of INRCOG's internal control over financial reporting and my 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 compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis on pages 3 through 5 is not required parts of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. I have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion thereon.

My audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. Other supplementary information included in Schedules 1 through 2, including the Schedule of Expenditures of Federal Awards required by U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in my audit of the aforementioned financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Larry Pump".

November 22, 2005

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Northland Regional Council of Governments 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, 2005. We encourage readers to consider this information in conjunction with INRCOG's financial statements, which follow.

### **FINANCIAL HIGHLIGHTS**

- INRCOG's support and revenues increased 16%, or \$397,330, from fiscal 2004 to fiscal 2005. Contract revenue increased, while Federal and State grants decreased.
- INRCOG's operation expenses were 19%, or \$461,767 more in fiscal 2005 than in fiscal 2004, due mainly to increased transit transportation costs.
- INRCOG's net assets increased 2%, or \$71,676, from June 30, 2004 to June 30, 2005.

### **USING THIS ANNUAL REPORT**

The Iowa Northland Regional Council of Governments is a single Enterprise Fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis are intended to serve as an introduction to INRCOG's basic financial statements. 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 INRCOG's financial activities.

The Statement of Net Assets presents information on INRCOG'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 INRCOG is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets is the basic statement of activities for proprietary funds. This statement presents information on operating revenues and expenses, non-operating revenues and expenses and whether INRCOG's financial position has improved or deteriorated as a result of the year's activities.

The Statement of Cash Flows presents the change in INRCOG's cash and cash equivalents during the year. This information can assist the use of the report in determining how INRCOG financed its activities and how it met its cash requirements.

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

### **FINANCIAL ANALYSIS OF THE AGENCY**

*Statement of Net Assets*

As noted earlier, net assets may serve over time as a useful indicator of INRCOG's financial position. INRCOG's net assets for fiscal 2005 totaled approximately \$3,070,742. This compares to approximately \$2,999,066 for fiscal 2004. A summary of INRCOG's net assets is presented below.

Net Assets		June 30,	
		<u>2005</u>	<u>2004</u>
Current assets		\$2,443,885	\$3,192,323
Non-current assets		239,056	-
Capital assets at cost, less accumulated depreciation		<u>818,285</u>	<u>216,235</u>
Total assets		<u>\$3,501,226</u>	<u>\$3,408,558</u>
Current liabilities		\$ 430,484	\$ 409,492
Total liabilities		<u>\$ 430,484</u>	<u>\$ 409,492</u>
Net assets:			
Reserved		\$ 489,033	\$ 495,806
Unreserved		<u>2,581,709</u>	<u>2,503,260</u>
Total net assets		<u>\$3,070,742</u>	<u>\$2,999,066</u>

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

Support and revenues are received from federal grants, state grants, and other local sources. Expenditures are expenses to operate the transit systems and programs. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net assets for the years ended June 30, 2005 and 2004 are presented below:

Changes in Net Assets		June 30,	
		<u>2005</u>	<u>2004</u>
Support and Revenue			
Grants		\$ 665,553	\$1,038,805
Program reimbursements and other local sources		<u>2,285,923</u>	<u>1,512,476</u>
Total support and revenue		<u>\$2,951,476</u>	<u>\$2,551,281</u>
Expenditures		<u>\$2,879,800</u>	<u>\$2,418,033</u>
Total expenditures		<u>\$2,879,800</u>	<u>\$2,418,033</u>
Changes in net assets		\$ 71,676	\$ 133,248
Net assets beginning of year		2,999,066	2,966,821
Prior period adjustment		<u>-</u>	<u>(101,003)</u>
Net assets end of year		<u>\$3,070,742</u>	<u>\$2,999,066</u>

The Statement of Revenues, Expenses and Changes in Net Assets reflects a positive year with an increase in the net assets at the end of the fiscal year.

- Net assets for the year increased \$71,676. This increase was due to the growth in contract revenue, with a lesser increase in related costs.
- INRCOG's operating expenses (without depreciation) were \$2,793,574 and revenues were \$2,948,611. With depreciation, the total expenses were \$2,879,800 and revenues remained at \$2,948,611.
- State Transit Assistance and Federal Transit Operating Assistance for the year totaled \$665,553. These same funding sources for the previous fiscal year totaled \$1,038,805. These same funding sources are projected to increase from fiscal year 2005 to fiscal year 2006.

#### **STATEMENT OF CASH FLOWS**

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related financing activities. Cash provided by the operating activities includes federal and state support, program reimbursements and other revenue, reduced by payments to employees and to suppliers. Cash used from financing activities includes principal payments and the purchase of capital assets. Cash provided by investing activities includes interest income.

#### **CAPITAL ASSETS**

At June 30, 2005, INRCOG had approximately \$818,285 invested in capital assets, net of accumulated depreciation of approximately \$1,568,424. Depreciation charges totaled \$86,226 for fiscal year 2005. More detailed information about INRCOG's capital assets is presented in Note 4 to the financial statements.

#### **ECONOMIC FACTORS**

The Iowa Northland Regional Council of Government's Board of Directors (with input from local elected officials and citizens) considered various factors when setting the fiscal year 2006 budget and fees that will be charged for agency activities. INRCOG general fund operations are expected to remain consistent with the previous year, but could vary according to contracts received during the year. As INRCOG looks forward, the most notable anticipated change in its operations will be presented by the acquisition in March 2005 of the office building at 229 E. Park Avenue in Waterloo, Iowa. While it is anticipated that the INRCOG offices will not move into the new building until some time in calendar year 2006, the lease agreement for INRCOG's current office space will not expire until June 2009. Thus a great deal of planning will be required to address possible sub-leasing or alternative uses for the current space, while also making the necessary renovations at the new building to accommodate INRCOG's occupancy.

#### **Contacting INRCOG's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of INRCOG's finances and to show INRCOG's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Iowa Northland Regional Council of Governments, 501 Sycamore, Suite 300, Waterloo, IA 50703.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 536,977	\$1,329,285	\$1,866,262
Investments (at cost)	167,285	-	167,285
Accounts receivable	116,101	241,846	357,947
Notes receivable	-	52,018	52,018
Prepaid expenses	-	373	373
Total current assets	<u>\$ 820,363</u>	<u>\$1,623,522</u>	<u>\$2,443,885</u>
Non-current assets:			
Notes receivable	\$ -	\$ 239,056	\$ 239,056
Fixed assets:			
Furniture and equipment	\$ 183,006	\$ 79,378	\$ 262,384
Vehicles - unrestricted	244,328	-	244,328
Vehicles - restricted	804,910	-	804,910
Moving costs	664	-	664
Leasehold improvements	308,370	74,597	382,967
Construction in progress	-	691,456	691,456
Total	<u>\$1,541,278</u>	<u>\$ 845,431</u>	<u>\$2,386,709</u>
Less accumulated depreciation	(1,418,803)	(149,621)	(1,568,424)
Net fixed assets	<u>\$ 122,475</u>	<u>\$ 695,810</u>	<u>\$ 818,285</u>
<b>Total assets</b>	<b><u>\$ 942,838</u></b>	<b><u>\$2,558,388</u></b>	<b><u>\$3,501,226</u></b>
<b>LIABILITIES AND NET ASSETS:</b>			
Current liabilities:			
Trade accounts payable	\$ 70,176	\$ 8,302	\$ 78,478
Accrued wages and payroll taxes payable	3,627	16,684	20,311
Accrued benefits payable	11,088	120,119	131,207
Unearned revenue	-	175,667	175,667
Other accrued liabilities	-	24,821	24,821
<b>Total liabilities</b>	<b><u>\$ 84,891</u></b>	<b><u>\$ 345,593</u></b>	<b><u>\$ 430,484</u></b>
Net assets:			
Reserved (Note 2)	\$ 81,901	\$ 407,132	\$ 489,033
Unreserved	776,046	1,805,663	2,581,709
<b>Total net assets</b>	<b><u>\$ 857,947</u></b>	<b><u>\$2,212,795</u></b>	<b><u>\$3,070,742</u></b>

*See Notes to Financial Statements.*

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Iowa Northland</u>		<u>Total</u>
	<u>Regional Transit Commission</u>	<u>Council of Governments</u>	
<b>REVENUE:</b>			
Federal funds	\$ 103,155	\$ 237,592	\$ 340,747
State funds	280,981	43,825	324,806
Local:			
Contract revenue	777,078	1,335,935	2,113,013
Membership revenue	-	87,557	87,557
Rent revenue	-	16,238	16,238
Interest	25,651	20,174	45,825
Miscellaneous	7,238	13,187	20,425
Total	<u>\$1,194,103</u>	<u>\$1,754,508</u>	<u>\$2,948,611</u>
<b>EXPENSES:</b>			
Salaries and fringe benefits	\$ -	\$ 786,628	\$ 786,628
Drivers' salaries and benefits	121,084	-	121,084
Travel	-	32,739	32,739
Meals	-	6,024	6,024
Seminars	255	3,940	4,195
Telephone/internet	1,091	1,641	2,732
Awards	541	266	807
Contracted services	200,084	92,336	292,420
Office supplies	601	1,821	2,422
Miscellaneous	196	(7)	189
Postage	1,436	7,126	8,562
Copy expense	2,118	9,579	11,697
Service agreements - bldg	-	600	600
Advertising and notices	3,014	217	3,231
Subscriptions	-	99	99
Professional memberships	2,388	35	2,423
Recording fees	-	961	961
Administrative overhead	68,566	278,743	347,309
Transportation cost	621,950	-	621,950
Provision for forgivable loan	-	467,877	467,877
Administrative expense - INRHC	-	5,492	5,492
Utilities	-	6,471	6,471
Repairs	-	890	890
Printing	-	2,153	2,153
Equipment purchases	-	1,080	1,080
Relocation	-	26,712	26,712
Insurance	17,217	2,577	19,794
Depreciation	86,226	-	86,226
Legal and accounting	13,825	950	14,775
Equipment maintenance	434	-	434
Radio service	1,824	-	1,824
Total	<u>\$1,142,850</u>	<u>\$1,736,950</u>	<u>\$2,879,800</u>

(continued)

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Net transactions before other financing sources (uses):	\$ 51,253	\$ 17,558	\$ 68,811
Other financing sources (uses):			
Gain on sale of fixed assets	\$ 2,075	\$ 790	\$ 2,865
Operating transfers in	-	1,454,350	1,454,350
Operating transfers out	<u>(1,454,350)</u>	<u>-</u>	<u>(1,454,350)</u>
Total other financing sources (uses)	<u>\$(1,452,275)</u>	<u>\$1,455,140</u>	<u>\$ 2,865</u>
Change in net assets	\$(1,401,022)	\$1,472,698	\$ 71,676
Net assets beginning of year	<u>2,258,969</u>	<u>740,097</u>	<u>2,999,066</u>
<b>Net assets end of year</b>	<b><u>\$ 857,947</u></b>	<b><u>\$2,212,795</u></b>	<b><u>\$3,070,742</u></b>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2005

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from membership revenue	\$ -	\$ 87,557	\$ 87,557
Cash received from contract fees	727,675	1,253,841	1,981,516
Cash received from miscellaneous sources	7,238	29,425	36,663
Cash received from state operating grants	280,981	43,825	324,806
Cash received from federal operating grants	108,052	237,161	345,213
Cash received from interagency transfer	(1,454,350)	-	(1,454,350)
Cash paid for interagency transfer	-	1,454,350	1,454,350
Cash paid for salaries and benefits	(134,043)	(786,831)	(920,874)
Cash paid for administration	(909,550)	(938,664)	(1,848,214)
Net cash provided (used) by operating activities	<u>\$(1,373,997)</u>	<u>\$1,380,664</u>	<u>\$ 6,667</u>
Cash flows from capital and related financing activities:			
Net acquisition of fixed assets	\$ (517)	\$ (691,582)	\$ (692,099)
Net cash used by financing activities	<u>\$(517)</u>	<u>\$(691,582)</u>	<u>\$(692,099)</u>
Cash flows from investing activities:			
Interest received	\$ 25,651	\$ 20,174	\$ 45,825
Net cash provided for investing activities	<u>\$ 25,651</u>	<u>\$ 20,174</u>	<u>\$ 45,825</u>
Net increase (decrease) in cash	\$(1,348,863)	\$ 709,256	\$ (639,607)
Cash and cash equivalents beginning of year	<u>2,053,125</u>	<u>620,029</u>	<u>2,673,154</u>
<b>Cash and cash equivalents end of year</b>	<b><u>\$ 704,262</u></b>	<b><u>\$1,329,285</u></b>	<b><u>\$2,033,547</u></b>
<b>Reconciliation of net transactions to net cash provided by operating activities:</b>			
Net transactions	\$(1,401,022)	\$1,472,698	\$ 71,676
Adjustments for long-term non-cash items:			
Depreciation	86,226	-	86,226
Receipts and expenditures not classified as operating	(27,727)	(14,275)	(42,002)
Adjustments for current non-cash items:			
Changes in prepaid expenses	-	498	498
Changes in receivables	(44,506)	(86,217)	(130,723)
Changes in accounts payable	25,991	(12,966)	13,025
Changes in accrued wages payable	(1,363)	(479)	(1,842)
Changes in accrued benefits payable	(11,596)	276	(11,320)
Changes in unearned revenue	-	(3,692)	(3,692)
Changes in other accrued liabilities	-	24,821	24,821
<b>Net cash provided (used) by operating activities</b>	<b><u>\$(1,373,997)</u></b>	<b><u>\$1,380,664</u></b>	<b><u>\$ 6,667</u></b>

*See Notes to Financial Statements.*

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

(1) Organization

The Iowa Northland Regional Council of Governments (INRCOG) is an Inter-Governmental Council, established in accordance with provisions of Chapter 28E of the State Code of Iowa (Inter-Governmental Cooperation Agreement). The area of jurisdiction is Region 7 which includes Black Hawk, Bremer, Buchanan, Butler, Chickasaw, and Grundy counties. INRCOG's powers and duties are those authorized by Chapter 28H of the State of Iowa (Councils of Governments). INRCOG provides professional and technical services on a regional basis to maintain area-wide certification for state and federal grant and aid projects. It also provides planning advisory services and assistance in preparing special planning documents and applications to its members. INRCOG also provides transportation services to the elderly, handicapped and rural areas through the Iowa Northland Regional Transit Commission. In performing its duties, INRCOG may contract with and expend funds from federal, state, and local agencies, public or semi-public agencies and private individuals and Corporations.

Reporting Entity

For financial reporting purposes, INRCOG has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with INRCOG are such that exclusion would cause INRCOG'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 INRCOG 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 INRCOG. INRCOG has no component units which meet the Governmental Accounting Standards Board criteria.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles.

(b) Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the balance sheet:

Cash and Cash Equivalents - The cash balances are invested. For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have a maturity date no longer than three months.

Investments - Investments are stated at cost which approximates market.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

(2) **Summary of Significant Accounting Policies** - continued

Notes Receivable - This account is utilized to record revolving loan funds loaned to eligible homeowners with the intent that if certain target performances have been satisfied, a portion of the loans may be forgiven.

Property and Equipment - Fixed assets are accounted for at original cost. Depreciation has been provided over the estimated useful lives using the straight-line method.

Accrued Benefits Payable - Accrued benefits payable are earned vacation and sick leave and have been accrued as liabilities on the balance sheet. These current liabilities have been computed based on rates of pay in effect at June 30, 2005.

Unearned Revenue - Unearned revenue represents dues received from members for the next year and various grant advanced funding.

Reserved Net Assets - The Council of Government's reserved net assets represents the reserve for revolving loan funds. The Agency received grant funds to establish revolving loan funds for housing needs.

The Regional Transit Commission's reserved net assets represents the portion of federal participation in the purchase of transit vehicles and related equipment. Subsequent disposition of assets purchased with federal funds are subject to certain restrictions.

(3) **Cash and Investments**

INRCOG's deposits in banks at June 30, 2005 were entirely covered by Federal depository insurance or by the State Sinking Fund 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.

INRCOG is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

Interest rate risk - INRCOG's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) in instruments that mature within 397 days. Funds not identified as operating funds may be invested in investments with maturities longer than 397 days but the maturities shall be consistent with the needs and use of INRCOG.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2005

(4) **Capital Assets**

A summary of changes in property and equipment comprising INRCOG's capital assets is as follows:

<u>Iowa Northland Council of Governments</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 78,461	\$ 917	\$ -	\$ 79,378
Leasehold improvements	74,597	-	-	74,597
Construction in progress	-	691,456	-	691,456
 Total	 <u>\$ 153,058</u>	 <u>\$692,373</u>	 <u>\$ -</u>	 <u>\$ 845,431</u>

<u>Iowa Northland Regional Transit Commission</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 180,414	\$ 2,592	\$ -	\$ 183,006
Vehicles - unrestricted	246,027	-	1,699	244,328
Vehicles - restricted	813,208	-	8,298	804,910
Moving costs	664	-	-	664
Leasehold improvements	308,370	-	-	308,370
 Total	 <u>\$1,548,683</u>	 <u>\$ 2,592</u>	 <u>\$ 9,997</u>	 <u>\$1,541,278</u>

(5) **Pension and Retirement Benefits**

INRCOG contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statement and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, IA, 50306-9117.

Plan members are required to contribute 3.70% of their annual salary and INRCOG is required to contribute 5.75% of annual payroll. Contribution requirements are established by State statute. INRCOG's contribution to IPERS for the year ended June 30, 2005 was \$53,956 which was equal to the required contribution for the year.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

(6) **Operating Lease**

INRCOG leases its office space on an operating lease basis. The lease calls for lease payments as described below. In addition, INRCOG is responsible for any leasehold improvements. Total rental and lease expense for the year ended June 30, 2005 was \$93,027.

The following is a schedule, by years, of future minimum rental payments required under the operating lease:

<u>Year ending June 30,</u>	<u>Amount</u>
2006	\$ 93,026
2007	96,617
2008	96,617
2009	96,617
	<u>\$382,877</u>

(7) **Commitments**

During the fiscal year ended June 30, 2005, INRCOG acquired an office building which it intends to renovate and occupy for operational use. As of June 30, 2005, INRCOG had incurred \$14,394 in design costs related to the renovation. INRCOG has also entered into renovation contracts totaling \$154,739 as of June 30, 2005.

(8) **Risk Management**

INRCOG is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) **Accounting Change**

The Governmental Accounting Standards Boards has issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements were implemented for the fiscal year ending June 30, 2005. The revised requirements include using the economic resources measurement focus and full accrual accounting. Also, the revised minimum reporting requirements include Management's Discussion and Analysis to introduce the basic financial statements and to provide an analytical overview of INRCOG's financial activities.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Admini- stration</u>	<u>Technical Assistance</u>	<u>Hudson HMP II</u>	<u>Prairie Pathways</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ 11,176
State funds	-	-	-	-
Local:				
Contract revenue	-	44,140	5,250	-
Membership revenue	-	26,705	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	673	-	-
Interest	-	10,538	-	-
Total	<u>\$ -</u>	<u>\$ 82,056</u>	<u>\$ 5,250</u>	<u>\$ 11,176</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ (26,343)	\$ 55,047	\$ 4,281	\$ -
Travel	-	9,516	45	-
Meals	-	510	-	-
Seminar	-	514	-	-
Telephone/internet	-	149	-	-
Awards	-	-	-	-
Contracted services	-	-	-	11,176
Office supplies	-	259	13	-
Miscellaneous	-	-	-	-
Postage	-	821	58	-
Copy expense	-	1,740	105	-
Service agreements - bldg.	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	-	18,712	1,467	-
Provision for forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	2	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ (26,343)</u>	<u>\$ 87,270</u>	<u>\$ 5,969</u>	<u>\$ 11,176</u>
Net transactions	\$ 26,343	\$ (5,214)	\$ (719)	\$ -
Agency interfund transfer	(7,995)	5,214	719	-
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	1,454,350	-	-	-
Net assets beginning of year	<u>740,097</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<b><u>\$2,212,795</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

(continued)

<u>BHCSWC</u>	<u>Housing Council</u>	<u>BHC Contractors Bond</u>	<u>Lamont HMP II</u>	<u>Stanley CDBG</u>	<u>COG Assistance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	9,375
30,164	5,492	-	5,250	2,639	-
-	-	-	-	-	-
-	-	11,685	-	-	-
-	-	-	-	-	-
<u>\$ 30,164</u>	<u>\$ 5,492</u>	<u>\$ 11,685</u>	<u>\$ 5,250</u>	<u>\$ 2,639</u>	<u>\$ 9,375</u>
\$ 22,845	\$ 5,539	\$ 2,277	\$ 4,300	\$ 2,176	\$ 7,031
311	-	-	212	60	-
-	-	-	-	-	-
300	-	-	-	-	-
8	1	1	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17	46	93	13	-	-
-	-	-	-	-	-
57	83	422	38	5	-
76	87	90	88	4	-
-	-	-	-	-	-
-	8	-	-	-	-
-	-	-	-	-	-
35	-	-	-	-	-
-	32	-	-	-	-
7,829	1,898	780	1,473	746	2,409
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 31,478</u>	<u>\$ 7,694</u>	<u>\$ 3,663</u>	<u>\$ 6,124</u>	<u>\$ 2,991</u>	<u>\$ 9,440</u>
\$ (1,314)	\$ (2,202)	\$ 8,022	\$ (874)	\$ (352)	\$ (65)
1,314	2,202	(8,022)	874	352	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	65
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>INREDC</u>	<u>RTC</u>	<u>Metro Trans- portation</u>	<u>Hazelton LBP II</u>
<b>RECEIPTS:</b>				
Federal funds	\$ 51,000	\$ -	\$139,503	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	-	276,381	-	7,414
Membership revenue	17,000	-	34,874	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	100	-	-	-
Total	<u>\$ 68,100</u>	<u>\$276,381</u>	<u>\$174,377</u>	<u>\$ 7,414</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 50,859	\$200,084	\$125,785	\$ 943
Travel	3,992	2,616	2,966	112
Meals	879	29	145	-
Seminar	2,080	-	60	64
Telephone/internet	44	1,091	15	-
Awards	-	266	-	-
Contracted services	-	-	-	391
Office supplies	296	432	-	-
Miscellaneous	-	-	-	-
Postage	181	1,121	366	65
Copy expense	319	2,118	783	58
Service agreements - bldg	-	-	-	-
Advertising and notices	-	33	47	-
Subscriptions	50	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	17,429	68,566	43,105	323
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	1,080	-
Relocation	-	-	-	5,458
Legal and accounting	-	25	25	-
Total	<u>\$ 76,129</u>	<u>\$276,381</u>	<u>\$174,377</u>	<u>\$ 7,414</u>
Net transactions	\$ (8,029)	\$ -	\$ -	\$ -
Agency intrafund transfer	8,029	-	-	-
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

INRCOG Housing RLF	Regional Trans- portation	LaPorte City CBP Update	Waverly Lead Based Paint II	Nashua Rental Lead Based Paint	Fredericks- burg EDSA	NE Iowa Comm Dev Group
\$ -	\$ 35,913	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	1,487	786	1,040	6,968
-	8,978	-	-	-	-	-
-	-	-	-	-	-	-
829	-	-	-	-	-	-
7,338	-	-	-	-	-	-
<u>\$ 8,167</u>	<u>\$ 44,891</u>	<u>\$ -</u>	<u>\$ 1,487</u>	<u>\$ 786</u>	<u>\$ 1,040</u>	<u>\$ 6,968</u>
\$ 1,269	\$ 33,194	\$ 338	\$ 449	\$ 510	\$ 749	\$ -
7	764	11	18	32	31	-
-	27	-	-	-	-	-
-	-	-	114	64	-	-
-	10	-	-	-	2	-
-	-	-	-	-	-	-
-	-	-	669	4	-	6,968
84	-	-	-	-	-	-
(7)	-	-	-	-	-	-
135	244	7	6	-	2	-
27	370	20	75	-	-	-
-	-	-	-	-	-	-
-	129	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
435	11,375	116	154	175	256	-
-	-	-	-	-	-	-
5,492	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
725	25	-	-	-	-	-
<u>\$ 8,167</u>	<u>\$ 46,138</u>	<u>\$ 492</u>	<u>\$ 1,485</u>	<u>\$ 785</u>	<u>\$ 1,040</u>	<u>\$ 6,968</u>
\$ -	\$ (1,247)	\$ (492)	\$ 2	\$ 1	\$ -	\$ -
-	1,247	492	(2)	(1)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Jesup Rehab</u>	<u>FEMA</u>	<u>Independence Flood 1277</u>	<u>Waverly Comp Plan</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	11,216	1,629	5,516	8,675
Membership revenue	-	-	-	-
Rent Revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 11,216</u>	<u>\$ 1,629</u>	<u>\$ 5,516</u>	<u>\$ 8,675</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 6,813	\$ 1,583	\$ 4,093	\$ 4,528
Travel	341	-	39	255
Meals	6	-	-	-
Seminar	-	3	-	-
Telephone/internet	13	-	4	-
Awards	-	-	-	-
Contracted services	1,500	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	114	77	11	12
Copy expense	80	121	11	5
Service Agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	2,334	543	1,402	1,552
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	15	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 11,216</u>	<u>\$ 2,327</u>	<u>\$ 5,560</u>	<u>\$ 6,352</u>
Net transactions	\$ -	\$ (698)	\$ (44)	\$ 2,323
Agency intrafund transfer	-	698	44	(2,323)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

<u>Safety Program</u>	<u>Fredericks- burg HMPII</u>	<u>Bremer County HMPII</u>	<u>New Hampton HMP II</u>	<u>Rockford Flood</u>	<u>Grundy Center Rehab</u>	<u>New Hampton Metal FAB EDSA</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
39,000	2,361	2,662	2,140	500	7,016	1,521
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
259	-	-	-	-	-	-
<u>\$ 39,259</u>	<u>\$ 2,361</u>	<u>\$ 2,662</u>	<u>\$ 2,140</u>	<u>\$ 500</u>	<u>\$ 7,016</u>	<u>\$ 1,521</u>
\$ 32,892	\$ 1,700	\$ 2,065	\$ 1,549	\$ 353	\$ 3,649	\$ 1,050
1,391	31	-	30	51	222	98
-	-	-	-	-	6	-
-	-	-	-	-	-	-
11	2	-	1	1	12	-
-	-	-	-	-	-	-
-	-	-	-	-	1,700	-
10	8	8	8	-	-	-
-	-	-	-	-	-	-
161	14	-	-	-	109	8
129	45	77	132	-	68	5
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,272	583	708	531	121	1,250	360
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 45,866</u>	<u>\$ 2,383</u>	<u>\$ 2,858</u>	<u>\$ 2,251</u>	<u>\$ 526</u>	<u>\$ 7,016</u>	<u>\$ 1,521</u>
\$ (6,607)	\$ (22)	\$ (196)	\$ (111)	\$ (26)	\$ -	\$ -
6,607	22	196	111	26	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Denver</u> <u>HMP II</u>	<u>Hudson</u> <u>Rehab II</u>	<u>CV</u> <u>Coalition</u>	<u>Nashua</u> <u>HMP II</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	2,405	9,515	17,201	2,462
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	648	-
Total	<u>\$ 2,405</u>	<u>\$ 9,515</u>	<u>\$ 17,849</u>	<u>\$ 2,462</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 1,678	\$ 6,133	\$ -	\$ 1,804
Travel	20	187	1,471	29
Meals	-	-	4,369	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	3
Awards	-	-	-	-
Contracted services	-	1,000	8,956	-
Office supplies	8	-	219	8
Miscellaneous	-	-	-	-
Postage	7	66	10	-
Copy expense	139	27	44	55
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	575	2,102	-	618
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	2,131	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 2,427</u>	<u>\$ 9,515</u>	<u>\$ 17,200</u>	<u>\$ 2,517</u>
Net transactions	\$ (22)	\$ -	\$ 649	\$ (55)
Agency intrafund transfer	22	-	(649)	55
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

Fairbank <u>Lot</u>	FHLB HBA <u>&amp; OT</u>	Soy Basics <u>EDSA</u>	Hot Flush <u>EDSA</u>	Elk Run Heights <u>HMP II</u>	Fairbank <u>HMP II</u>	Janesville <u>HMP</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
16	124,975	186	520	2,186	3,069	1,918
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 16</u>	<u>\$124,975</u>	<u>\$ 186</u>	<u>\$ 520</u>	<u>\$ 2,186</u>	<u>\$ 3,069</u>	<u>\$ 1,918</u>
\$ 12	\$ 4,422	\$ 397	\$ 414	\$ 1,597	\$ 2,229	\$ 1,338
-	53	-	31	7	41	11
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1	-	-	1	-	-
-	-	-	-	-	-	-
-	-	-	-	8	8	8
-	-	-	-	-	-	-
-	48	1	5	-	12	3
-	61	5	2	80	38	101
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	292	-	-	-	-	-
4	1,516	136	142	547	764	458
-	114,825	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 16</u>	<u>\$121,218</u>	<u>\$ 539</u>	<u>\$ 594</u>	<u>\$ 2,240</u>	<u>\$ 3,092</u>	<u>\$ 1,919</u>
\$ -	\$ 3,757	\$ (353)	\$ (74)	\$ (54)	\$ (23)	\$ (1)
-	(3,757)	353	74	54	23	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>COZO</u> <u>Newsletter</u>	<u>Plainfield</u> <u>HMP</u>	<u>Dunkerton</u> <u>Flood 1277</u>	<u>Lawler</u> <u>HMP II</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	1,015	927	6,898	1,144
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 1,015</u>	<u>\$ 927</u>	<u>\$ 6,898</u>	<u>\$ 1,144</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 488	\$ 653	\$ 5,093	\$ 764
Travel	-	23	50	75
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	1	-	18	-
Awards	-	-	-	-
Contracted services	-	-	-	-
Office supplies	-	8	-	8
Miscellaneous	-	-	-	-
Postage	2	-	21	17
Copy expense	41	54	23	39
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	167	224	1,745	262
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 699</u>	<u>\$ 962</u>	<u>\$ 6,950</u>	<u>\$ 1,165</u>
Net transactions	\$ 316	\$ (35)	\$ (52)	\$ (21)
Agency intrafund transfer	(316)	35	52	21
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)



IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Jesup</u> <u>HMP II</u>	<u>MAPS</u>	<u>Jesup</u> <u>Zoning</u> <u>Ordinance</u>	<u>Waterloo</u> <u>HR</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	2,505	2,664	3,808	7,066
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 2,505</u>	<u>\$ 2,664</u>	<u>\$ 3,808</u>	<u>\$ 7,066</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 1,960	\$ 875	\$ 2,111	\$ 2,207
Travel	29	22	107	-
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	3	8
Awards	-	-	-	-
Contracted services	-	-	-	5,577
Office supplies	8	-	-	-
Miscellaneous	-	-	-	-
Postage	-	17	11	49
Copy expense	46	1	12	132
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	672	300	723	756
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 2,715</u>	<u>\$ 1,215</u>	<u>\$ 2,967</u>	<u>\$ 8,729</u>
Net transactions	\$ (210)	\$ 1,449	\$ 841	\$ (1,663)
Agency intrafund transfer	210	(1,449)	(841)	1,663
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

<u>IWE</u>	<u>Greene Personnel Handbook</u>	<u>Buchanan Co Comp Plan</u>	<u>Shell Rock Flood #2</u>	<u>Aurora CDBG</u>	<u>FHLB Emergency Repair II</u>	<u>Davis Bacon Kingsley</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34,450	-	-	-	-	-	-
-	75	3,745	5,049	1,073	198,895	130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 34,450</u>	<u>\$ 75</u>	<u>\$ 3,745</u>	<u>\$ 5,049</u>	<u>\$ 1,073</u>	<u>\$198,895</u>	<u>\$ 130</u>
\$ 32,015	\$ 49	\$ 1,576	\$ 3,694	\$ 794	\$ 3,573	\$ 61
839	-	41	66	2	782	2
10	-	-	-	-	-	-
435	-	-	-	-	-	-
24	-	-	5	-	44	1
-	-	-	-	-	-	-
-	-	-	-	-	3,150	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43	2	-	10	2	354	-
32	3	52	8	3	200	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
49	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	637	-
10,971	16	540	1,266	272	1,224	21
-	-	-	-	-	177,395	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 44,418</u>	<u>\$ 70</u>	<u>\$ 2,209</u>	<u>\$ 5,049</u>	<u>\$ 1,073</u>	<u>\$187,359</u>	<u>\$ 86</u>
\$ (9,968)	\$ 5	\$ 1,536	\$ -	\$ -	\$ 11,536	\$ 44
9,968	(5)	(1,536)	-	-	(11,536)	(44)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Readlyn HMP</u>	<u>Jesup Lead Based Paint</u>	<u>Wellsburg CDBG</u>	<u>Raymond TIF</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	1,909	10,942	351	1,053
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 1,909</u>	<u>\$ 10,942</u>	<u>\$ 351</u>	<u>\$ 1,053</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 1,416	\$ 2,887	\$ 221	\$ 554
Travel	18	137	32	9
Meals	-	-	-	-
Seminar	-	64	-	-
Telephone/internet	-	-	-	-
Awards	-	-	-	-
Contracted services	-	1,632	-	-
Office supplies	8	-	-	-
Miscellaneous	-	-	-	-
Postage	-	144	13	4
Copy expense	54	4	9	15
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	485	989	75	190
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	5,085	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 1,981</u>	<u>\$ 10,942</u>	<u>\$ 350</u>	<u>\$ 772</u>
Net transactions	\$ (72)	\$ -	\$ 1	\$ 281
Agency intrafund transfer	72	-	(1)	(281)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

Grundy Center Based Lead <u>Paint</u>	Clarksville <u>Rehab</u>	Davis-Bacon <u>Bunger</u>	Parkersburg II-Lead <u>Based Paint</u>	Evansdale <u>Rehab</u>	Waterloo <u>Relocation</u>	Met-MR <u>Waiver</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
5,572	500	990	7,358	4,249	5,617	228
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,572</u>	<u>\$ 500</u>	<u>\$ 990</u>	<u>\$ 7,358</u>	<u>\$ 4,249</u>	<u>\$ 5,617</u>	<u>\$ 228</u>
\$ 1,833	\$ 319	\$ 637	\$ 2,939	\$ 2,566	\$ 4,170	\$ 104
79	46	-	125	22	-	-
-	-	-	-	-	-	-
-	1	-	-	-	-	-
-	-	-	-	-	-	-
930	-	-	1,192	1,250	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
78	15	9	85	27	15	-
1	10	19	3	20	4	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
628	109	218	1,007	879	1,428	36
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,023	-	-	2,007	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,572</u>	<u>\$ 500</u>	<u>\$ 883</u>	<u>\$ 7,358</u>	<u>\$ 4,764</u>	<u>\$ 5,617</u>	<u>\$ 140</u>
\$ -	\$ -	\$ 107	\$ -	\$ (515)	\$ -	\$ 88
-	-	(107)	-	515	-	(88)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	LaPorte City Rehab	Shell Rock Flood	Story County CDBG	Housing Trust Fund #2
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	231	21,332	20,981	75,000
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	7
Total	<u>\$ 231</u>	<u>\$ 21,332</u>	<u>\$ 20,981</u>	<u>\$ 75,007</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 156	\$ 15,928	\$ 16,328	\$ -
Travel	13	234	386	-
Meals	-	-	13	-
Seminar	-	-	-	-
Telephone/internet	-	53	5	-
Awards	-	-	-	-
Contracted services	-	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	6	98	29	-
Copy expense	3	79	48	-
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	53	5,458	5,596	-
Provision for forgivable loan	-	-	-	75,000
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 231</u>	<u>\$ 21,850</u>	<u>\$ 22,405</u>	<u>\$ 75,000</u>
Net transactions	\$ -	\$ (518)	\$ (1,424)	\$ 7
Agency intrafund transfer	-	518	1,424	(7)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

<u>Homeland Security Board</u>	<u>Janesville Rehab II</u>	<u>RBEG</u>	<u>Wellsburg Rehab</u>	<u>Morrison CDBG</u>	<u>Black Hawk Code</u>	<u>Dike Rehab</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
431	9,449	22,949	518	6,386	4,518	155
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 431</u>	<u>\$ 9,449</u>	<u>\$ 22,949</u>	<u>\$ 518</u>	<u>\$ 6,386</u>	<u>\$ 4,518</u>	<u>\$ 155</u>
\$ 283	\$ 5,042	\$ -	\$ 344	\$ 4,745	\$ 2,437	\$ 104
49	206	-	54	-	-	15
-	6	-	-	-	-	-
-	-	-	-	-	-	-
-	2	-	1	2	-	-
-	-	-	-	-	-	-
-	2,250	22,952	-	-	-	-
-	-	-	-	-	25	-
-	-	-	-	-	-	-
2	146	-	1	6	-	-
1	65	-	1	6	104	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
96	1,727	-	117	1,627	835	36
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 431</u>	<u>\$ 9,449</u>	<u>\$ 22,952</u>	<u>\$ 518</u>	<u>\$ 6,386</u>	<u>\$ 3,401</u>	<u>\$ 155</u>
\$ -	\$ -	\$ (3)	\$ -	\$ -	\$ 1,117	\$ -
-	-	3	-	-	(1,117)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Davis Bacon</u> <u>Lincoln</u>	<u>Hazleton</u> <u>Rehab</u>	<u>Dunkerton</u> <u>Rehab II</u>	<u>Housing</u> <u>Fund HBA</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	1,100	7,301	11,678	42,160
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 1,100</u>	<u>\$ 7,301</u>	<u>\$ 11,678</u>	<u>\$ 42,160</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 571	\$ 4,368	\$ 6,607	\$ 1,923
Travel	-	414	316	7
Meals	-	6	-	-
Seminar	-	-	-	-
Telephone/internet	5	22	14	-
Awards	-	-	-	-
Contracted services	-	750	2,250	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	8	151	141	6
Copy expense	3	93	86	12
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	196	1,497	2,264	659
Provision of forgivable loan	-	-	-	39,547
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 783</u>	<u>\$ 7,301</u>	<u>\$ 11,678</u>	<u>\$ 42,154</u>
Net transactions	\$ 317	\$ -	\$ -	\$ 6
Agency intrafund transfer	(317)	-	-	(6)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

Dunkerton Lead Based Paint II	New Hampton Rehab	Waverly Rehab II	Dumont Rehab	New Hampton Rental Rehab	New Hampton Rental Lead Based Paint	Lamont Rehab II
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
9,921	1,257	6,954	7,609	11,994	857	11,433
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 9,921</u>	<u>\$ 1,257</u>	<u>\$ 6,954</u>	<u>\$ 7,609</u>	<u>\$ 11,994</u>	<u>\$ 857</u>	<u>\$ 11,433</u>
\$ 3,004	\$ 508	\$ 4,288	\$ 5,304	\$ 8,322	\$ 450	\$ 7,161
42	223	215	303	103	60	446
-	-	6	6	-	-	-
-	-	-	-	-	-	-
1	8	2	7	1	1	16
-	-	-	-	-	-	-
1,448	1,000	750	-	640	129	1,200
-	-	-	-	-	-	-
-	-	-	-	-	-	-
114	61	126	89	35	72	95
9	29	98	82	2	2	62
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,029	174	1,469	1,818	2,852	154	2,453
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,274	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 9,921</u>	<u>\$ 2,003</u>	<u>\$ 6,954</u>	<u>\$ 7,609</u>	<u>\$ 11,955</u>	<u>\$ 868</u>	<u>\$ 11,433</u>
\$ -	\$ (746)	\$ -	\$ -	\$ 39	\$ (11)	\$ -
-	746	-	-	(39)	11	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	Lamont Lead Based Paint <u>II</u>	Nashua Rental Rehab <u>Rehab</u>	Aplington <u>Rehab</u>	Housing Trust Fund <u>Trust Fund</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	3,663	7,976	5,527	77,552
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	1,284
Total	<u>\$ 3,663</u>	<u>\$ 7,976</u>	<u>\$ 5,527</u>	<u>\$ 78,836</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 1,195	\$ 5,539	\$ 3,196	\$ 15,341
Travel	111	367	236	231
Meals	-	-	-	-
Seminar	64	-	-	-
Telephone/internet	-	16	4	4
Awards	-	-	-	-
Contracted services	682	-	1,000	-
Office supplies	-	-	-	5
Miscellaneous	-	-	-	-
Postage	85	45	45	109
Copy expense	2	111	30	49
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	409	1,898	1,095	5,257
Provision for forgivable loan	-	-	-	61,110
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repair	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	1,115	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 3,663</u>	<u>\$ 7,976</u>	<u>\$ 5,606</u>	<u>\$ 82,106</u>
Net transactions	\$ -	\$ -	\$ (79)	\$ (3,270)
Agency intrafund transfer	-	-	79	3,270
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

<u>Lawler Codification</u>	<u>Denver Subdivision</u>	<u>Evansdale Lead-Based</u>	<u>Aplington Lead-Based</u>	<u>Hudson Lead- Based</u>	<u>Janesville Lead-Based</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	4,000	4,501	4,873	4,307	5,325
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 4,501</u>	<u>\$ 4,873</u>	<u>\$ 4,307</u>	<u>\$ 5,325</u>
\$ 362	\$ 2,591	\$ 1,201	\$ 1,964	\$ 1,090	\$ 1,615
42	96	8	152	36	30
-	-	-	-	-	-
-	-	-	-	64	-
1	-	-	-	-	-
-	-	-	-	-	-
-	-	1,030	772	1,202	802
38	-	-	-	-	-
-	-	-	-	-	-
4	14	83	32	86	57
100	57	7	6	2	2
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
125	888	412	673	374	554
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,765	1,267	1,453	2,265
-	-	-	-	-	-
<u>\$ 672</u>	<u>\$ 3,646</u>	<u>\$ 4,506</u>	<u>\$ 4,866</u>	<u>\$ 4,307</u>	<u>\$ 5,325</u>
\$ (672)	\$ 354	\$ (5)	\$ 7	\$ -	\$ -
672	(354)	5	(7)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2005

	<u>Dumont Lead</u>	<u>229 Park</u>	<u>Total</u>
	<u>Based Paint</u>	<u>Building</u>	
<b>RECEIPTS:</b>			
Federal funds	\$ -	\$ -	\$ 237,592
State funds	-	-	43,825
Local:			
Contract revenue	1,592	-	1,335,935
Membership revenue	-	-	87,557
Rent revenue	-	16,238	16,238
Miscellaneous	-	-	13,187
Interest	-	-	20,174
Total	<u>\$ 1,592</u>	<u>\$ 16,238</u>	<u>\$1,754,508</u>
<b>EXPENDITURES:</b>			
Salaries and fringe benefits	\$ 1,009	\$ -	\$ 786,628
Travel	-	-	32,739
Meals	-	-	6,024
Seminar	114	-	3,940
Telephone/internet	-	1	1,641
Awards	-	-	266
Contracted services	28	5,066	92,336
Office supplies	-	135	1,821
Miscellaneous	-	-	(7)
Postage	5	7	7,126
Copy expense	89	3	9,579
Service agreements - bldg	-	600	600
Advertising and notices	-	-	217
Subscriptions	-	-	99
Professional memberships	-	-	35
Recording fees	-	-	961
Administrative overhead	347	-	278,743
Provision for forgivable loan	-	-	467,877
Administrative expense - INRHC	-	-	5,492
Utilities	-	6,471	6,471
Repairs	-	890	890
Printing	-	-	2,153
Insurance	-	2,577	2,577
Equipment purchases	-	-	1,080
Relocation	-	-	26,712
Legal and accounting	-	150	950
Total	<u>\$ 1,592</u>	<u>\$ 15,900</u>	<u>\$1,736,950</u>
Net transactions	\$ -	\$ 338	\$ 17,558
Agency intrafund transfer	-	(1,128)	-
Gain on sale of fixed assets	-	790	790
Operating transfer in	-	-	1,454,350
Net assets beginning of year	-	-	740,097
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$2,212,795</u></u>

See Accompanying Independent Auditor's Report.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2005

<u>GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>AGENCY PASS-THROUGH NUMBER</u>
<b><u>Federal Awards</u></b>		
<b>Direct:</b>		
Department of Commerce:		
Economic Development Administration:		
Planning Grant	11.302	05-83-04045
<b>Indirect:</b>		
Department of Transportation:		
Iowa Department of Transportation:		
Urban Mass Transportation Technical Studies Grants		
FHWA STP	20.515	05-RPA-R07
FTA MPO Planning	20.515	05MPO-INRCOG
Non-urban Operating Assistance Project	20.509	18-0025-070-04
Non-urban Operating Assistance Project	20.509	18-0025-070-05
Transportation Enhancement Program		Prairie Pathway
Total Department of Transportation		
Homeland Security		
<b>Total</b>		

*See Accompanying Independent Auditor's Report.*

**PROGRAM  
EXPENDITURES**

\$ 51,000

\$ 35,913  
139,503  
\$175,416

\$ 376  
110,574  
\$110,950

\$ 8,941

\$295,307

\$ 4,250

**\$350,557**



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

To the Board of Directors  
Iowa Northland Regional Council of Governments:

I have audited the general purpose financial statements of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2005, and have issued my report thereon dated November 22, 2005. My report expressed an unqualified opinion on the financial statements. I conducted my audit in accordance with U.S. generally accepted auditing standards 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**

In planning and performing my audit, I considered INRCOG's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect INRCOG's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable 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 caused by error or fraud 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. I noted no matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition or material weakness as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether INRCOG's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about INRCOG's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of INRCOG. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report, a public record by law, is intended solely for the information and use of the officials, employees and members of Iowa Northland Regional Council of Governments and other parties to whom INRCOG may report. This report is not intended to be and should not be used by anyone other than these specified parties.

I would like to acknowledge the many courtesies and assistance extended to me by personnel of INRCOG during the course of my audit. Should you have any questions concerning any of the above matters, I shall be pleased to discuss them with you at your convenience.

A handwritten signature in cursive script that reads "Larry Pump".

November 22, 2005

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
Schedule of Findings  
Year Ended June 30, 2005

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

- (a) An unqualified opinion was issued on the financial statements.
- (b) The audit did not disclose any reportable conditions in the internal control over financial reporting.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.

**Part II: Findings Related to the General Purpose Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

None

**Part III: Findings and Questioned Costs for Federal Awards:**

Not applicable.

**Part IV: Other Findings Related to Statutory Reporting:**

- IV-A-05      Official Depositories - A resolution naming official depositories has been approved by INRCOG. The maximum deposit amounts stated in the resolution were not exceeded during the year ended June 30, 2005.
- IV-B-05      Questionable Disbursements - No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-05      Travel Expense - No disbursements of INRCOG money for travel expenses of spouses of INRCOG officials or employees were noted.
- IV-D-05      Business Transactions - No business transactions between INRCOG and INRCOG officials or employees were noted.
- IV-E-05      Bond Coverage - Surety bond coverage of INRCOG officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-F-05      Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and INRCOG's investment policy were noted.

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