

**MIDAS REGIONAL PLANNING COMMISSION**

**INDEPENDENT AUDITOR'S REPORTS**  
**BASIC FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**JUNE 30, 2005**

**T. P. ANDERSON & COMPANY, P.C.**  
**Certified Public Accountants**

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# T.P. ANDERSON & COMPANY P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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## Independent Auditor's Report

To the Board of Directors of  
MIDAS Regional Planning Commission:

We have audited the accompanying financial statements, of the governmental activities, the business-type activities and each major fund of MIDAS Regional Planning Commission, as of and for the year ended June 30, 2005, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Commission management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities and each major fund of MIDAS Regional Planning Commission at June 30, 2005, and the respective changes in financial position and cash flows, where applicable thereof for the year ended in conformity with U.S. generally accepted accounting principals.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 24, 2005, on our consideration of the MIDAS Regional Planning Commission's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report is 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 3 through 7 is not a required part of the basic financial statements, but is supplementary information required by the Government Accounting Standards Board. We applied limited procedures, which consisted principally of inquires 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 conducted for the purpose of forming an opinion on the financial statements that collectively comprise MIDAS Regional Planning Commission's basic financial statements. Other supplementary information included in Schedules 1 and 2, including the accompanying 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 basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*T.P. Anderson & Company, P.C.*

August 24, 2005

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

MIDAS Regional Planning Commission 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 the Commissions financial statements, which follow.

### **2004 FINANCIAL HIGHLIGHTS**

- Revenues of the Commission's government-wide activities increased 18.6%, or approximately \$429,000, from fiscal 2004 to fiscal 2005. Operating grants and contributions increased approximately \$65,000 and capital grants increased \$407,000.
- Program expenses increased 5.89%, or approximately \$136,000, in fiscal year 2005 over fiscal year 2004.
- The Commissions net assets increased 12.7%, or approximately \$266,000, from June 30, 2004 to June 30, 2005.

### **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 Commission's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Assets. These provide information about the activities of MIDAS Regional Planning Commission as a whole and present an overall view of the Commissions finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the MIDAS Regional Planning Commission's operations in more detail than the government-wide statement 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.

MIDAS Regional Planning Commission is not required to present required supplementary information. The presentation is not required because the Commission is not required by the Code of Iowa to adopt a legally binding budget.

Other Supplementary Information provides a supplemental Balance Sheet for the DART bus operation, managed for the City of Fort Dodge. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting MIDAS.

## REPORTING THE CITY'S FINANCIAL ACTIVITIES

### *Government-wide Financial Statement*

One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Activities and Net Assets report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

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

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

The Commission's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include regional planning assistance, grant writing and revolving loan administration along with other assistance provided on an as needed basis. State and federal grants finance most of these activities.

### *Fund Financial Statements*

The Commission has two kinds of funds:

1) The Commission's governmental fund accounts for the Commission's basic service. It focuses on how money flows into and out of this fund, and the balances left at year-end that are available for spending. The governmental fund is the General Fund. This fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the Commission's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs.

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

2) The Commission's proprietary fund accounts for its transit operations.

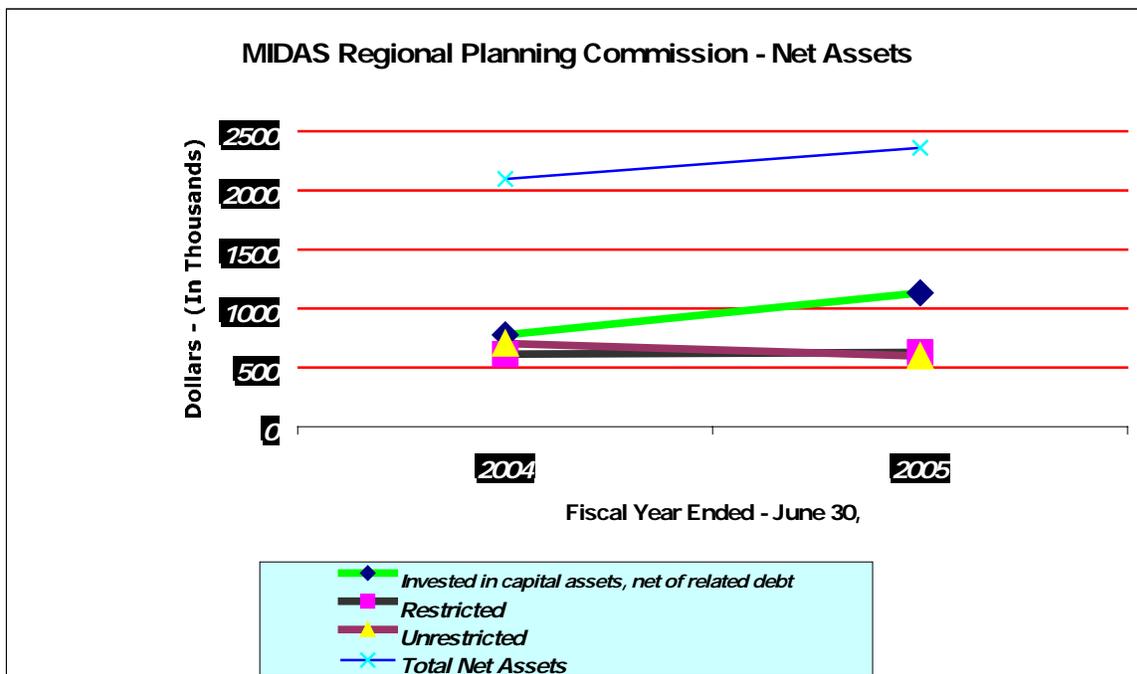
The required financial statements for proprietary funds include a statement of net assets, a statement of revenues, expenses and changes in net assets and a statement of cash flows.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. MIDAS Regional Planning Commission's combined net assets from a year ago, increased from \$2.095 million to \$2.361 million.

Net Assets of Government-Wide Activities (Expressed in Thousands)		
	Year ended June 30,	
	2005	2004
Current and other assets	\$ 1,367	1,453
Capital assets	1,315	963
Total assets	2,682	2,416
Long-term debt outstanding	182	185
Other liabilities	139	136
Total liabilities	321	321
Net assets:		
Invested in capital assets, net of related debt	1,133	778
Restricted	631	613
Unrestricted	597	704
Total net assets	2,361	2,095



The Commission's net assets increased by 12.7% (\$2.095 million to \$2.361 million). Unrestricted net assets – the part of net assets that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation or other legal requirements – decreased from approximately \$704,000 at June 30, 2004 to approximately \$597,000 at the end of this year.

Changes in Net Assets of Government-Wide Activities (Expressed in Thousands)		
	Year ended June 30,	
	2005	2004
Revenues:		
Program revenues:		
Charges for service	744	748
Operating grants, contributions and restricted interest	1,040	975
Capital grants, contributions and restricted interest	535	128
General revenues:		
Dues	364	394
Unrestricted investment earnings	16	14
Other general revenues	37	48
Total revenues	<u>2,736</u>	<u>2,307</u>
Program expenses:		
Administrative	335	319
Transit operations	2,135	2,015
Total expenses	<u>2,470</u>	<u>2,334</u>
Increase (decrease) in net assets	266	(27)
Net assets beginning of year	<u>2,095</u>	<u>2,122</u>
Net assets end of year	<u><u>2,361</u></u>	<u><u>2,095</u></u>

MIDAS Regional Planning Commission's governmental fund's net assets decreased by approximately \$106,000 during the year. Revenues increased by approximately \$15,000 compared to the prior year, with operating and capital grant revenue up from the prior year by \$4,000.

The cost of all activities this year was \$2,469,104 compared to \$2,333,797 last year. However, as shown in the Statement of Activities on page 9, the amount commission members ultimately financed for these activities was \$150,256 because some of the cost was paid by those who directly benefited from the programs (\$2,319,000). Overall, the Commission's revenues, including intergovernmental aid and fees for services increased in 2005 from approximately \$2,307,000 to \$2,736,000.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

As MIDAS Regional Planning Commission completed the year, its governmental funds reported a fund balance of \$1.175 million, an decrease of more than \$114,000 below last year's total of \$1.289 million. The decrease fund balance is primarily attributable to interfund transfers.

The Commission's proprietary fund reported net assets at the end of the year of \$1,089,897, an increase from 2004 of 372,500. This increase is due in large part to capital grants used to purchase capital assets which are depreciated over their useful lives.

## CAPTIAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At June 30, 2005, the MIDAS Regional Planning Commission had approximately \$3.036 million invested in a broad range of capital assets, including buildings, buses and equipment. This is a net increase (including additions and deletions) of approximately \$494,000 or 19%.

Capital Assets of Governmental and Business Type Activities at Year End (Expressed in Thousands)		
	Year ended June 30,	
	2005	2004
Land and buildings	825	818
Equipment	285	171
Vehicles	1,926	1,553
Total	3,036	2,542
This year's major additions included (in thousands):		
Seven buses	314	
Software and security cameras	180	
	494	

The Commission had depreciation expense of \$141,330 in FY05 and total accumulated depreciation of \$1,720,552 at June 30, 2005.

### Long-Term Debt

At June 30, 2005, MIDAS Regional Planning Commission had approximately \$182,413 in loans outstanding compared to approximately \$185,376 at June 30, 2004, as shown below.

Outstanding Debt of Governmental and Business Type Activities at Year-End (Expressed in Thousands)		
	Year ended June 30,	
	2005	2004
DOT Loan	14	-
Bank loans	168	185
	182	185

Debt increased as a result of borrowing 14,000 under a non-interest bearing note used as matching funds related to federal funding.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The MIDAS Council of Government's Executive Committee (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. MIDAS general fund operations are expected to remain consistent with the previous year, but could vary according to contract generation during the program year. The transit operations expect to receive additional federal funds to assist in the purchase of new busses.

## CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the MIDAS Regional Planning Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information contact the MIDAS Regional Planning Commission, 602 1<sup>st</sup> Avenue South, Fort Dodge, Iowa 50501.

## **Basic Financial Statements**

## MIDAS REGIONAL PLANNING COMMISSION

## STATEMENT OF NET ASSETS

June 30, 2005

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 646,320	\$ 12,074	\$ 658,394
Accounts Receivable			
IDOT	47,704	-	47,704
EDA/RLF	1,726	-	1,726
Transit	-	156,545	156,545
Accrued interest	4,061	-	4,061
Prepaid expenses	11,013	700	11,713
Notes receivable	486,839	-	486,839
Capital Assets			
Depreciable, net	231,182	1,084,170	1,315,352
	<u>1,428,845</u>	<u>1,253,489</u>	<u>2,682,334</u>
<b>Liabilities:</b>			
Accounts payable	-	45,097	45,097
Accrued payroll and payroll tax	9,245	35,487	44,732
Accrued vacation	13,033	35,497	48,530
Non-current liabilities			
Due within one year:			
Loans payable	13,998	3,374	17,372
Due in more than one year:			
Loans payable	120,904	44,137	165,041
	<u>157,180</u>	<u>163,592</u>	<u>320,772</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	96,280	1,036,659	1,132,939
Restricted for:			
EDA-RLF program	281,512	-	281,512
MIDAS Housing-RLF	350,000	-	350,000
Unrestricted	543,873	53,238	597,111
	<u>1,271,665</u>	<u>1,089,897</u>	<u>2,361,562</u>
Total net assets	\$ <u>1,271,665</u>	\$ <u>1,089,897</u>	\$ <u>2,361,562</u>

See Notes to Financial Statements

## MIDAS REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2005

	Program Revenues			Governmental Activities	Business type Activities	Total
	Expenses	Charges for Service	Operating Grants			
Functional/Program Activities						
Governmental Activities						
Administration	\$ 335,412	\$ 82,857	\$ 159,883	\$ (92,672)	\$	\$ (92,672)
Total governmental activities	<u>335,412</u>	<u>82,857</u>	<u>159,883</u>	<u>(92,672)</u>	<u>-</u>	<u>(92,672)</u>
Business-type activities						
Transit system	<u>2,133,692</u>	<u>743,874</u>	<u>797,205</u>	<u>535,029</u>	<u>(57,584)</u>	<u>(57,584)</u>
Total government	<u>2,469,104</u>	<u>826,731</u>	<u>957,088</u>	<u>(92,672)</u>	<u>(57,584)</u>	<u>(150,256)</u>
General Revenues						
Local tax support or dues				65,270	297,927	363,197
Interest income				15,673	467	16,140
Miscellaneous				21,181	16,290	37,471
Gain on sale of assets				-	390	390
Transfers				(115,030)	115,030	-
Total General revenue and transfers				<u>(12,906)</u>	<u>430,104</u>	<u>417,198</u>
Change in Net Assets				(105,578)	372,520	266,942
Net assets beginning				<u>1,377,243</u>	<u>717,377</u>	<u>2,094,620</u>
Net assets ending				<u>\$ 1,271,665</u>	<u>\$ 1,089,897</u>	<u>\$ 2,361,562</u>

See Notes to Financial Statements

## MIDAS REGIONAL PLANNING COMMISSION

BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2005

Assets		
Cash	\$	646,320
Accounts Receivable		49,430
Accrued interest		4,061
Prepaid expenses		11,013
Notes receivable		486,839
		<hr/>
Total Assets		<u>1,197,663</u>
Liabilities and Fund Balances		
Accrued payroll and payroll taxes		9,245
Accrued vacation		13,033
		<hr/>
		22,278
Fund balances		
Reserved for		
EDA-RLF program		281,512
MIDAS Housing-RLF		817,807
Unreserved		76,066
		<hr/>
		1,175,385
		<hr/>
Total liabilities and fund balances	\$	<u>1,197,663</u>

Reconciliation of Governmental Funds to Statement of Net Assets

Total governmental fund balances (see above)	\$	1,175,385
Amounts reported as net assets for governmental activities in the statement of net assets are different from above because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds		231,182
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		<hr/> (134,902)
Net assets of governmental activities	\$	<u>1,271,665</u>

See Notes to Financial Statements

## MIDAS REGIONAL PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND BALANCE - GOVERNMENTAL FUND  
Year Ended June 30, 2005

Revenue	
State and Federal grants, other agencies	\$ 105,778
State and Federal grants, IDOT	54,105
Local Participation	65,270
Interest income	15,673
Miscellaneous	21,181
CDBG administration	<u>82,857</u>
Total revenue	<u>344,864</u>
Expenditures:	
Administration:	
ISTEA planning	61,449
CDBG	69,605
HAZMAT/LEPC	12,852
EDA	73,992
EDA/RLF	14,201
Task Force	3,291
IDED log assistance	10,907
MISA	6,914
Local	50,814
IFA housing	13,319
HIRE	7,732
LHAP	3,624
Bad Debts	<u>1,898</u>
Total expenditures	<u>330,598</u>
Excess of revenue over expenditures	14,266
Other Financing (Uses)	
Payment on note payable	(13,399)
Transfers	<u>(115,030)</u>
Total other financing (uses)	<u>(128,429)</u>
Excess of revenue and other financing sources over expenditures and other financing (uses)	(114,163)
Fund Balance, beginning	<u>1,289,548</u>
Fund Balance, ending	<u>\$ 1,175,385</u>

See Notes to Financial Statements

MIDAS REGIONAL PLANNING COMMISSION  
 RECONCILIATION of the STATEMENT OF REVENUES, EXPENDITURES  
 and CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND  
 to the STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

Net change in fund balance - total governmental fund	\$ (114,163)
Depreciation expense is reported in the statement of activities but does not require the use of current financial resources and therefore is not reported as an expenditure in the governmental funds.	(4,814)
Repayment of note principal in an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of principal paid down during the year.	<u>13,399</u>
Change in net assets of governmental fund	<u><u>\$ (105,578)</u></u>

## MIDAS REGIONAL PLANNING COMMISSION

STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2005

Assets	
Current assets	
Cash	\$ 12,074
Accounts receivable	156,545
Prepaid rent	700
Total current assets	<u>169,319</u>
Non-current assets	
Capital assets	
RTA Building, transportation and other equipment	2,738,487
Less: Accumulated depreciation	<u>(1,654,317)</u>
Total non-current assets	<u>1,084,170</u>
Total Assets	<u><u>1,253,489</u></u>
Liabilities and Net Assets;	
Current liabilities	
Accounts Payable	45,097
Accrued payroll and payroll taxes	35,487
Accrued vacation	35,497
Current portion - notes payable	<u>3,374</u>
Total current liabilities	119,455
Non-current liabilities	
Notes payable - net of current portion	<u>44,137</u>
Total liabilities	<u>163,592</u>
Net Assets	
Invested in capital assets, net of related debt	1,044,696
Unrestricted	<u>45,201</u>
Total net assets	<u>1,089,897</u>
Total liabilities and net assets	<u><u>\$ 1,253,489</u></u>

See Notes to Financial Statements

## MIDAS REGIONAL PLANNING COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE  
IN FUND NET ASSETS - PROPRIETARY FUND TYPE

Year Ended June 30, 2005

Operating Revenues:	
Fare Income	\$ 743,874
State and federal grants, IDOT	1,285,846
State and federal grants, other agencies	46,388
Local participation	297,927
Miscellaneous income	<u>16,290</u>
Total operating revenues	2,390,325
Operating Expenses:	
Payroll expenses	1,130,054
Transit assistance to providers	66,815
Facility operations	31,295
Vehicle expenses	278,781
Insurance expenses	206,490
Administrative expenses	79,805
Memberships	3,256
Travel	14,492
Employee recruitment training	11,995
Depreciation	136,516
Miscellaneous	170,641
Bad Debts	<u>3,552</u>
Total operating expenses	2,133,692
Operating income	256,633
Nonoperating Revenues:	
Transfers	115,030
Interest income	467
Gain from sale of fixed assets	<u>390</u>
Total non-operating revenues	115,887
Net income	372,520
Retained Earnings beginning	<u>717,377</u>
Retained Earnings, ending	<u><u>\$ 1,089,897</u></u>

See Notes to Financial Statements

## MIDAS REGIONAL PLANNING COMMISSION

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUND TYPE  
 Year Ended June 30, 2005

Cash flows from Operating Activities:	
Receipts from customers	\$ 1,054,539
Operating grants	1,262,537
Payments to suppliers	(853,689)
Payments to employees	<u>(1,144,991)</u>
Net cash flow from operating activities	<u>318,396</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(494,252)
Proceeds from sale of equipment	640
Repayments on long-term borrowings	(28,469)
Principal issued on notes during year	38,905
Interfund transfers	<u>115,887</u>
Net cash used by capital and related financing activities	<u>(367,289)</u>
Cash flows from investing activities	
Interest	<u>467</u>
Net (decrease) in cash	(48,426)
Cash, beginning of year	<u>60,500</u>
Cash, end of year	<u>\$ <u>12,074</u></u>

See Notes to Financial Statements

## MIDAS REGIONAL PLANNING COMMISSION

STATEMENT OF CASH FLOWS -  
 PROPRIETARY FUND TYPE  
 Year Ended June 30, 2005

Reconciliation of Operating Income to Net Cash  
 Provided by Operating Activities:

Operating income	\$ 256,633
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	136,516
Change in Accounts Receivable	(69,697)
Change in Accounts Payable	9,881
Change in Accrued Expenses	(14,937)
	<hr/>
Net cash flow from operating activities	\$ <u>318,396</u>

# MIDAS REGIONAL PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2005

### (1) Nature of Organization

Mid-Iowa Development Association Council of Governments (MIDAS) Regional Planning Commission is the regional planning and intergovernmental coordination agency in the MIDAS region organized under Chapter 473A and Chapter 28E, Iowa Code, 1971. It does not have stockholders or equity holders and it is not subject to income taxes. MIDAS is the regional planning and coordination agency for: Calhoun, Hamilton, Humboldt, Pocahontas, Webster and Wright Counties of Iowa.

### (2) Significant Accounting Policies

#### A. Reporting Entity

For financial reporting purposes, MIDAS Regional Planning Commission has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The Commission 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 Commission are such that exclusion would cause the Commission's general purpose 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 Commission 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 Commission. MIDAS Regional Planning Commission has no component units which meet the Governmental Accounting Standards Board criteria.

#### B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all the nonfiduciary activities of the Commission. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are supported by intergovernmental revenues and are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement Net Assets presents the Commission's nonfiduciary 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* consists of capital assets, net 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* result when constraints placed on net assets use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

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

*Unrestricted net assets* consist of net assets that do not meet the definition of the preceding category. 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, contributions restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program receipts are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

MIDAS Regional Planning Commission reports the following major governmental fund:

The General Fund is the general operating fund of the Commission. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs that are not paid from other funds.

The Commission reports the following major proprietary funds:

The Dart and RTA transit fund is the proprietary fund of the Commission. All bus fares, operating grants, capital grants and miscellaneous revenues generated by and for the transit operations are accounted for in this fund. From the fund are paid all expenses necessary to operate the transit authority.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund 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. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

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

Revenues are considered to available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days after year end.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

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

The proprietary fund of the Commission applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principals Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are transit fares and the principal operating expenses include payroll, vehicle insurance and other transit expenses. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities and Fund Equity

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

Cash, Pooled Investments and Cash Equivalents – The cash balances of most Commission funds are pooled and invested. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. Investments are stated at fair value.

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, have a maturity date no longer than three months.

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

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

Capital Assets – Capital assets, which include property, equipment and vehicles, are reported in the governmental activities column in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the asset or materially extend lives are not capitalized.

Compensated Absences – Commission employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. A liability for these amounts is reported in governmental fund financial statements. The compensated absences liability have been computed based on rates of pay in effect at June 30, 2005.

Long-term liabilities – In the government-wide and proprietary fund financial statements, long-term debt other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund Statement of Net Assets.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, as expenditures.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are not reported as Required Supplementary Information. As there is no legal requirement to adopt a budget, GASB 34 does not require this disclosure.

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

**(3) Cash and Investments**

The Commission's deposits 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.

The Commission 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; prime eligible bankers' acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts and warrants or improvement certificates of a drainage district.

Interest rate risk – The Commission's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipts) 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 the Commission.

There were no investments at June 30, 2005.

**(4) Capital Assets**

Capital Assets – Capital assets, which include property, equipment and vehicles are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets and in the Proprietary Funds Statement of Net Assets. Capital assets are recorded at historical cost if purchased or constructed. 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 extend asset lives are not capitalized.

Capital assets of the Commission are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (In Years)
Buildings	40 years
Improvements other than buildings	15 years
Buses	4 years
Equipment	5-30 years

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

(4) **Capital Assets - continued**

A summary of changes in property and equipment comprising general fund capital assets and proprietary fund capital assets for the year ended June 30, 2005 is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
<b>General fund capital assets:</b>				
Furniture and fixtures	43,298	-	-	43,298
Land and building	254,119	-	-	254,119
	<u>297,417</u>	<u>-</u>	<u>-</u>	<u>297,417</u>
Accumulated depreciation	<u>61,421</u>	4,814	-	<u>66,235</u>
<b>Proprietary fund:</b>				
Building	564,359	6,671	-	571,030
Vehicles	1,552,709	373,588	500	1,925,797
Equipment	127,667	113,993	-	241,660
	<u>2,244,735</u>	<u>494,252</u>	<u>500</u>	<u>2,738,487</u>
Accumulated depreciation	<u>1,518,051</u>	<u>136,516</u>	<u>250</u>	<u>1,654,317</u>

(5) **Restricted Net Assets - Notes Receivable**

The MIDAS Regional Planning Commission administers a revolving loan fund, known as the EDARLF, that makes loans to businesses. Loans are subject to guidelines provided by the federal granting agency and must stimulate the local economy and to encourage job creation. The initial funds were provided through a grant from the U.S. Department of Commerce, Economic Development Administration, supplemented by a local match from various regional sources. The fund has grown to a portfolio of loans totaling \$179,270 and a cash balance of \$102,242 at June 30, 2005. The total loans and cash balance maintained by this fund is restricted to make additional loans in the future.

The MIDAS Regional Planning Commission also administers the MIDAS Housing Revolving Loan Fund (MIDAS HRLF). This program was originally funded with State LHAP and Federal HIRE grant funds and has a portfolio of loans totaling \$307,571 and a cash balance of \$510,236 at June 30, 2005. \$350,000 of these assets are restricted for the purpose of providing assistance to low to middle income housing projects.

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

**(5) Restricted Net Assets - Notes Receivable - continued**

Interest received on loans advanced under the EDA Revolving Loan Fund program can be up to five percentage points under the current prime rate, but in no case less than a base of four percent. The interest rates applied to the MIDAS HRLF varies as deemed appropriate to facilitate a project. The current proforma target is 4%, but may vary if desired by the loan review committee to better meet the needs of the proposed project.

**(6) Operating Lease**

MIDAS Regional Planning Commission has entered into an agreement to lease equipment from the City of Fort Dodge. MIDAS Regional Planning Commission is to assume all operating expenses and insurance requirements for the equipment. The term of this lease shall be for a period to include the useful life of the equipment as estimated by the Federal Transit Administration and the Iowa Department of Transportation. At the end of the equipment's useful life, the title and ownership may be transferred to MIDAS Regional Planning Commission for disposition in accordance with IDOT equipment disposition regulations. Payments are \$1 per year.

MIDAS Regional Planning Commission has entered into an operating lease to rent occupied premises in Humboldt, Iowa. The lease term began on July 1, 2003 and ends June 1, 2006. Rent paid for the year ended June 30, 2005 was \$6,000.

MIDAS Regional Planning Commission has entered into operating leases to rent occupied premises in Webster City, Iowa. This lease term began on February 1, 2000 and ended on June 30, 2005. The amount paid for the year ended June 30, 2005 was \$1,200.

MIDAS Regional Planning Commission has entered into an operating lease to rent office space at the Hinde Community Center in Pocahontas, Iowa. The lease term began on July 1, 2003 and ends June 30, 2006. The amount paid for the year ended June 30, 2005 was \$1,200.

Future minimum lease payments due on the above operating leases are as follows:

Years Ending June 30, 2006	<u>7,201</u>
	<u>\$ 7,201</u>

Rent expense for the year ended June 30, 2005 totaled \$8,401.

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

(7) **Revolving Note Payable and Long Term Debt**

The Commission has a revolving note payable to First American Bank, with a balance of \$0 at June 30, 2005. The note's maximum borrowing limit is \$50,000. The note bears interest at the bank's prime rate and matures September 1, 2005.

A summary of changes in long-term debt for the year ended June 30, 2005 is as follows:

	Balance Beginning of Year	Additions	Payments	Balance End of Year
Non-interest bearing note payable to Iowa Department of Transportation due in annual installments of \$10,000, through June 30, 2011. Loan is for a maximum of \$50,000 and payments in the note are scheduled to begin June 30, 2007. Note payable is collateralized by future state and federal transit assistance payments administered by the Iowa Department of Transportation.	-	13,905	-	13,905
2.95% note payable to a local bank is due in 59 monthly installments of \$1,843 with any unpaid principal due on February 18, 2009. The note is collateralized by land and building with a depreciated cost of \$632,813	185,376	-	16,868	168,508
	<u>\$ 185,376</u>	<u>\$ 13,905</u>	<u>\$ 16,868</u>	<u>\$ 182,413</u>

Aggregate maturities required on long-term debt as of June 30, 2005 are due in future years as follows:

Years Ending June 30,	Principal	Interest
2006	17,372	4,737
2007	27,882	4,218
2008	22,332	3,683
2009	114,827	2,150
	<u>\$ 182,413</u>	<u>14,788</u>

MIDAS REGIONAL PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2005

**(8) Pension and Retirement Benefits**

The Commission 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 statements and required supplementary information. The report may be obtained by writing to IPERS, PO Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the Commission is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Commission's contribution to IPERS for the years ended June 30, 2005, 2004 and 2003 were \$65,335, \$63,884, and \$54,734, respectively, equal to the required contributions for each year.

**(9) Risk Management**

MIDAS Regional Planning Commission 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. The Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(10) Economy Dependency**

The Agency received 20% of its funds from grants from the Department of Transportation for the year ended June 30, 2005.

**(11) Interfund Transfers**

During the year ended June 30, 2005, the commissioner transferred \$115,030 from the general fund to the proprietary fund. The transfers were approved and made in the normal course of operations.

**(12) Dodger Area Rapid Transit (DART) Program**

In connection with the Commission's operation of the DART program, expenditures made by the Commission on behalf of DART totaled \$1,025,476 for the year ended June 30, 2005. During the year ended June 30, 2005, the Commission received Iowa Department of Transportation (IDOT) funding from the City of Fort Dodge, which totaled \$557,331.

## **Other Supplementary Information**

## MIDAS REGIONAL PLANNING COMMISSION

Supplemental Balance Sheet - Dodger Area Rapid Transit (DART)  
Year Ended June 30, 2005**ASSETS**

Cash	\$ 100
Accounts receivable	55,900
Property, Plant and Equipment	
Other Equipment	<u>7,302</u>
 Total Assets	 <u><u>63,302</u></u>

**LIABILITIES AND EQUITY (DEFICIT)**

## Liabilities:

Accounts Payable	45,097
Accrued Payroll and Payroll taxes	28,191
Accrued Vacation	<u>20,608</u>
 Total Liabilities	 <u>93,896</u>

## Equity:

Retained (deficit)	<u>(30,594)</u>
 Total (deficit)	 <u>(30,594)</u>
 Total liabilities and equity (deficit)	 <u><u>\$ 63,302</u></u>

See independent auditor's report

## MIDAS REGIONAL PLANNING COMMISSION

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2005

Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
Department of Commerce:			
Economic Development Planning Grant	11.302	05-83-04001	\$ 25,500
Economic Development Planning Grant	11.302	05-83-04128	25,500
			<u>51,000</u>
Indirect:			
Department of Transportation			
Transit Assistance Program	20.509	ITS-050 (07509)	81,839
Transit Assistance Program	20.509	18-0025-050-04	9,879
Transit Assistance Program	20.509	18-4025-050-05	141,570
Non-Urban Operating Grant	20.509	TF-2005	5,620
			<u>238,908</u>
Transportation Planning Work Program	20.515	05RPA-05	<u>46,217</u>
Discretionary Capital Grant	20.500	03-0103-050-04	97,674
Discretionary Capital Grant	20.500	03-0098-050-03	186,212
			<u>283,886</u>
			<u>\$ 620,011</u>

Basis of presentation: The schedule of Expenditures of Federal Awards includes the federal grant activity of MIDAS Regional Planning Commission and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparations of, the general purpose financial statements.

See independent auditor's report

# T.P. ANDERSON & COMPANY P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

701 SUMNER, SUITE 200

HUMBOLDT, IOWA 50548

515-332-3466

## Independent Auditor's Report on Compliance and Internal Control over Financial Reporting

To the board of Directors of  
MIDAS Regional Planning Commission:

We have audited the accompanying financial statements of the governmental activities, the business type activities and each major fund of MIDAS Regional Planning Commission as of and for the year ended June 30, 2005, which collectively comprise the Commission's basic financial statements listed in the table of contents and have issued our report thereon dated August 24, 2005. We conducted our 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 our audit, we considered the Commission'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. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Commission'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. Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2005 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Commission. Since our 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.

*T.P. Anderson & Company, P.C.*

August 24, 2005

# T.P. ANDERSON & COMPANY P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

701 SUMNER, SUITE 200

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515-332-3466

Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and on Internal Control over Compliance  
in Accordance with OMB Circular A-133

To the board of Directors of  
MIDAS Regional Planning Commission:

## Compliance

We have audited the compliance of MIDAS Regional Planning Commission with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 2005. The Commission's major federal identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on MIDAS Regional Planning Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards the standards applicable of 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 non-compliance 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 the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Commission's compliance with those requirements.

In our opinion, MIDAS Regional Planning Commission's complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005.

## Internal Control Over Compliance

The management of MIDAS Regional Planning Commission's is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the Commission'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 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 noncompliance with applicable requirements of laws, regulations, contracts, and grant agreements caused by error or fraud 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 of by law, is intended solely for the information and use of the officials and employees of MIDAS Regional Planning Commission and other parties to whom the Commission may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

*T.P. Anderson & Company, P.C.*

August 24, 2005

MIDAS Regional Planning Commission  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2005

Part I: Summary of the Independent Auditor's Results

- (a) An unqualified opinion was issued on the general purpose financial statements.
- (b) No reportable conditions in internal control over financial reporting were disclosed.
- (c) The audit did not disclose any noncompliance which is material to the general purpose financial statements.
- (d) No material weaknesses in internal control over the major programs were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with office of Management and Budget Circular A-133, Section 510(a).
- (g) The major programs were CFDA number 20.500 Discretionary Capital Grant and CFDA number 11.302 Economic Development Planning Grant.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) MIDAS Regional Planning Commission did not qualify as a low-risk audit.

Part II: Findings Related to the Financial Statements:

**Instances of Non-Compliance:**

No matters were reported.

**Reportable Conditions:**

No matters were noted.

Part III: Findings and Questions Costs for Federal Awards:

**Instances of Non Compliance:**

No matters were noted.

**Reportable Conditions:**

No material weaknesses in internal control over the major program were noted.

MIDAS Regional Planning Commission

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2005

Part V: Other Findings Related to Required Statutory Reporting:

- III-A-05      Official Depositories: A resolution naming official depositories has been approved by the Commission. The maximum deposit amounts stated in the resolution were not exceeded for one bank during the year ended June 30, 2005.
- III-B-05      Questionable Expenditures: No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- III-C-05      Travel Expense: No expenditures of Agency money for travel expenses of spouses of Agency officials or employees were noted.
- III-D-05      Business Transactions: No business transactions between the Agency and Agency officials or employees were noted.
- III-E-05      Bond Coverage: Surety bond coverage of Agency 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.
- III-F-05      Board Minutes: No transactions requiring Board approval were noted which had not been approved.
- III-G-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 the Commission's investment policy were noted.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the MIDAS Regional Planning Commission during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

August 24, 2005