

IOWA EAST CENTRAL T.R.A.I.N.

Davenport, Iowa

**FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
(OMB Circular A-133, Single Audit Report)**

October 31, 2005

(With Independent Auditor's Reports Thereon)

IOWA EAST CENTRAL T.R.A.I.N.

Davenport, Iowa

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Iowa East Central T.R.A.I.N.
Davenport, Iowa

We have audited the accompanying Statement of Financial Position of Iowa East Central T.R.A.I.N. (a nonprofit organization) as of October 31, 2005, and the related Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2004 financial statements (as restated) and, in our report dated December 2, 2004, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iowa East Central T.R.A.I.N. as of October 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2005, on our consideration of Iowa East Central T.R.A.I.N.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on 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 our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. The additional supporting schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the 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.

Meriwether, Wilson and Company, P.L.C.

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

December 8, 2005
West Des Moines, Iowa

IOWA EAST CENTRAL T.R.A.I.N.

Statement of Financial Position

October 31, 2005
(With Comparative Totals for 2004)

	<u>2005</u>	<u>2004 As Restated</u>
Assets		
Current Assets		
Cash	\$ 1,004,061	1,001,065
Receivables		
Grant Awards and Contracts	602,584	690,048
Other	5,053	7,508
Weatherization Projects in Progress	46,468	119,574
Weatherization Materials Inventory	16,159	14,099
Prepaid Expenses	18,062	68,403
Total Current Assets	<u>1,692,387</u>	<u>1,900,697</u>
Property and Equipment		
Land, Buildings and Leasehold Improvements	1,357,190	1,181,420
Vehicles and Equipment	569,738	511,693
	<u>1,926,928</u>	<u>1,693,113</u>
Accumulated Depreciation	(879,971)	(792,759)
Net Property and Equipment	<u>1,046,957</u>	<u>900,354</u>
Total Assets	<u><u>\$ 2,739,344</u></u>	<u><u>2,801,051</u></u>
Liabilities and Net Assets		
Current Liabilities		
Grant Funds Owed to Funding Source	\$ 6,337	14,218
Accounts Payable	157,128	171,557
Accrued Payroll and Related Taxes and Benefits	444,245	403,364
Deferred Revenues	339,804	455,298
Total Current Liabilities	<u>947,514</u>	<u>1,044,437</u>
Net Assets		
Unrestricted		
Invested in Property and Equipment	1,046,957	900,354
Undesignated	661,832	856,071
Temporarily Restricted	83,041	189
Total Net Assets	<u>1,791,830</u>	<u>1,756,614</u>
Total Liabilities and Net Assets	<u><u>\$ 2,739,344</u></u>	<u><u>2,801,051</u></u>

The accompanying notes are an integral part of these financial statements.

IOWA EAST CENTRAL T.R.A.I.N.

Statement of Activities and Changes in Net Assets

October 31, 2005
(With Comparative Totals for 2004)

	2005			2004
	Unrestricted	Temporarily Restricted	Total	Total All Funds As Restated
Revenue				
Program Grants, Fees, and Support				
Federal Awards	\$ 12,685,591	--	12,685,591	11,666,491
State and Local Support and Fees	692,965	56,525	749,490	607,564
Total Program Grants, Fees, and Support	13,378,556	56,525	13,435,081	12,274,055
Program Income, Support, and Fees	122,946	--	122,946	174,014
Interest Income	10,272	--	10,272	7,429
In Kind Contributions	865,121	--	865,121	796,262
Other Income	40,141	33,772	73,913	28,723
Total Revenue	14,417,036	90,297	14,507,333	13,280,483
Net Assets Released from Restrictions Through Satisfaction of Payment Requirements	7,445	(7,445)	--	--
Total Revenue and Reclassification	14,424,481	82,852	14,507,333	13,280,483
Expenses				
Personnel	5,046,929	--	5,046,929	5,031,844
Management and Administration	712,038	--	712,038	724,021
Direct Client Assistance	4,091,258	--	4,091,258	3,554,452
Consultants/Contractual	883,096	--	883,096	545,704
Travel/Transportation	70,521	--	70,521	91,101
Space Costs	450,539	--	450,539	226,822
Supplies	519,338	--	519,338	607,489
Weatherization				
Materials	249,191	--	249,191	179,993
Labor	496,697	--	496,697	312,794
Support	287,347	--	287,347	310,837
Health and Safety	117,916	--	117,916	120,917
Equipment	42,045	--	42,045	20,477
Other	504,771	--	504,771	691,765
Depreciation	135,310	--	135,310	106,108
In Kind Expenses	865,121	--	865,121	796,262
Total Expenses	14,472,117	--	14,472,117	13,320,586
Increase (Decrease) in Net Assets	(47,636)	82,852	35,216	(40,103)
Net Assets at Beginning of Year - As Previously Reported	1,756,425	189	1,756,614	1,003,740
Cumulative Effect of Accounting Changes	--	--	--	792,977
Net Assets at Beginning of Year - As Restated	1,756,425	189	1,756,614	1,796,717
Net Assets at End of Year	\$ 1,708,789	83,041	1,791,830	1,756,614

The accompanying notes are an integral part of these financial statements.

IOWA EAST CENTRAL T.R.A.I.N.

Statement of Cash Flows

October 31, 2005
(With Comparative Totals for 2004)

	<u>2005</u>	<u>2004</u> <u>As Restated</u>
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	\$ 35,216	(40,103)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Expenses Not Requiring Cash Expenditure - Depreciation	135,310	106,108
Changes in Asset and Liability Accounts		
Receivables	89,919	60,408
Weatherization Projects in Progress	73,106	(20,766)
Weatherization Inventories	(2,060)	4,734
Prepaid Expenses	50,341	18,359
Payable to Funding Sources	(7,881)	(10,991)
Accounts Payable	(14,429)	(2,085)
Accrued Payroll	40,881	29,540
Deferred Revenue	(115,494)	(103,045)
Net Cash Flows from Operating Activities	<u>284,909</u>	<u>42,159</u>
Cash Flows from Investing Activities		
Expenditures for Acquisition of Equipment	<u>(281,913)</u>	<u>(55,313)</u>
Net Increase (Decrease) in Cash	2,996	(13,154)
Cash Balance - Beginning of Year	<u>1,001,065</u>	<u>1,014,219</u>
Cash Balance - End of Year	<u><u>\$ 1,004,061</u></u>	<u><u>1,001,065</u></u>

The accompanying notes are an integral part of these financial statements.

IOWA EAST CENTRAL T.R.A.I.N.

Notes to Financial Statements

October 31, 2005

1. Nature of Business and Organization

Iowa East Central T.R.A.I.N. is a private nonprofit corporation as defined under Section 501(c)(3) of the Internal Revenue Code. The Agency was incorporated under the laws of the state of Iowa and is defined as a community action agency in accordance with Iowa House File 2437 under the 69th General Assembly.

Iowa East Central T.R.A.I.N. was organized as a nonprofit corporation in 1968. The Organization was formed to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs in the Iowa counties of Scott, Clinton, Muscatine, and Cedar. The Organization is primarily supported through federal and state government grants.

2. Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. The Organization records contributions received as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence or nature of any donor restrictions. When a donor purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions.

Revenues from grant awards or contract reimbursements are considered unrestricted since the revenue is earned as allowable program expenses are incurred.

3. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in accordance with guidelines established for nonprofit organizations by the American Institute of Certified Public Accountants. The following describes the significant accounting policies.

Revenue Recognition

Revenue from awards or grants are recognized when reimbursable expenses are incurred in conducting program activities.

Program service revenues are generally recorded when earned.

Donations and public support are generally recognized when an unconditional pledge is received, except for small donations, which are recorded when received.

In Kind Contributions

All in kind contributions required by grant awards are recorded in the Statement of Activities and Changes in Net Assets at estimated fair value and recognized as revenue and expense in the period they are received. In kind is recorded in the Head Start and Senior Citizens programs and consists primarily of donated materials and occupancy.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

The carrying amounts of cash, receivables, prepaid expenses, accounts payable, accrued expenses, deferred revenue, and other liabilities approximate their fair values due to the short-term maturities of these financial instruments.

Cash

For purposes of the Statement of Cash Flows, the Organization considers all cash in checking and savings accounts and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Receivables

Receivables are comprised primarily of grant awards or contract reimbursements. Receivables are recorded when program expenses exceed contract reimbursements to date.

The Organization considers all amounts collectible and, accordingly, no provision for bad debts has been recorded.

Deferred Revenue

Deferred revenue primarily represents funds received under grant awards or contracts for which program expenses have not yet been incurred.

Weatherization Projects in Progress

Weatherization projects are comprised of homes being weatherized and not yet completed at the year-end date. Materials and labor on these projects are recorded at cost and will be charged to the program grants upon completion.

Inventories

Weatherization material inventory is stated at cost, which is not in excess of market. Cost is determined by the first-in, first-out (FIFO) method.

Property and Equipment

Property and equipment is recorded at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives. The Organization follows the policy of capitalization of equipment costing over \$5,000 with a useful life expectancy exceeding one year.

Long-Lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When required, impairment losses on assets are recognized based upon the fair value of the asset.

Advertising and Promotion Activities

Advertising and promotion costs are expensed as incurred on the Statement of Activities and Changes in Net Assets.

Income Taxes

Iowa East Central T.R.A.I.N. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Iowa franchise or income tax. The Organization is not considered a private foundation under Internal Revenue statutes.

Concentration of Credit Risks

Iowa East Central T.R.A.I.N. received approximately 93% of its support and revenue from governmental grants. A significant reduction in the level of government participation would have a major effect on Iowa East Central T.R.A.I.N.'s program activities.

Deposits in bank accounts in excess of federally insured limits (FDIC) at the year-end date totaled \$1,127,535. The Organization's bank, however, has eligible collateral and securities available to pledge for excess deposits. In addition, the bank also participates in the State of Iowa sinking fund for losses that exceed insured limits if those losses are incurred due to a closure of the bank by its respective regulatory agency.

Cost Allocation Pools

Indirect and joint costs are allocated to benefiting programs using various allocation methods depending on the type of cost being allocated.

Indirect Costs

Indirect costs, comprising of any cost benefiting all programs but not readily identifiable with any specific program, are charged to the indirect cost pool. The costs are allocated to programs based on an approved rate of 13.10% of wages.

Joint Costs

Joint costs, such as space, telephone, and supplies, are recorded to individual cost pools and allocated to programs on the basis of procedures that represent estimated benefits received thereon.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended October 31, 2004, from which the summarized information was derived. Certain reclassifications to the 2004 comparative totals have been made to conform to the 2005 presentation.

4. Accounting Changes

During the Organization's fiscal year ending October 31, 2005, Iowa East Central T.R.A.I.N. adopted an accounting policy for property and equipment consistent with accounting policies generally accepted in the United States of America. Pursuant to this, property and equipment acquired with grant funds will be reflected as assets of the Organization and depreciated over their estimated useful lives, rather than expensed as purchased. This change has been enacted retroactively to November 1, 2004, resulting in an increase in the Organization's net assets in the amount of \$943,440 at that date. The Organization's change in net assets for the years ended October 31, 2005 and 2004 has been reduced by \$28,159 and \$46,411 respectively, as a result of this accounting policy change.

During the fiscal year ending October 31, 2005, the Organization adopted an accounting policy for accrued compensated absences consistent with accounting policies generally accepted in the United States of America. Previously, the Organizations expensed the cost of employee compensated absences as it was paid. The Organization has now recorded a liability to reflect the value of earned, but not yet paid employee leave at the year-end date. This change has been enacted retroactively to November 1, 2004, resulting in a decrease in the Organization's net assets in the amount of \$150,463 at that date. The Organization's change in net assets for the year ended October 31, 2005 has been increased by \$7,368 and for the year ended October 31, 2004 reduced by \$7,536 respectively.

5. Principal Programs

The costs of providing various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The following is a summary of expenses on a functional basis:

<u>Program</u>	<u>Expenses</u>
Child and Adult Care Food Programs	\$ 1,262,344
FEMA	60,740
Head Start	5,108,990
CHORE, Elderly and Senior Outreach Services	52,437
Child Care and Vendor Voucher Programs	267,751
Child Care Resource and Referral	1,765,575
Weatherization Programs - Combined	1,307,936
Low Income Home Energy Assistance	3,084,599
Community Services Block Grant	605,392
Wraparound and At Risk Child Care and Family Assistance	558,331
Child Care Plus	122,556
Direct Client and Emergency Assistance	54,471
Corporate Activity Expenses	220,995
	<u>\$ 14,472,117</u>

6. Receivables - Grant Awards

Grant receivables, which represent allowable program expenditures in excess of the respective grant or contract receipts to date, are as follows:

Funding Source	Program	Amount
U.S. Department of Health and Human Services	Head Start/Early Head Start	\$ 184,657
Iowa Department of Human Services	Child Care Res. & Ref./Wraparound	215,947
Iowa Department of Education	CACFP	84,021
Iowa Department of Human Rights	Weatherization	54,579
Iowa Department of Human Rights	FaDDS	17,860
Muscatine Empowerment Board	Early Childhood/School Ready	16,642
Scott Co. Community Empowerment Board	TANF	14,057
Other		14,821
		<u>\$ 602,584</u>

7. Property and Equipment

Property and equipment is summarized as follows:

Agency Acquired Buildings and Leasehold Improvements	\$ 201,906
Agency Acquired Equipment	64,830
Grant Acquired Buildings	1,155,284
Grant Acquired Equipment	504,908
	<u>1,926,928</u>
Accumulated Depreciation	(879,971)
Net Property and Equipment	<u>\$ 1,046,957</u>

The grant acquired buildings and equipment was funded primarily under various grants with federal, state, or local governmental entities and may revert back to these funding sources in the event such programs terminate or the use of the property changes from its original purpose.

In addition, any proceeds from disposal of such properties must be expended with grantor approval.

Depreciation expense for the year totaled \$135,309.

8. Grant and Contract Revenue Unearned

Grant and contract revenue received, which was not yet expended or earned at the year-end date, is summarized as follows:

Funding Source	Program	Amount
Iowa Department of Human Rights	HEAP Weatherization	\$ 20,113
Iowa Department of Human Rights	CSBG	59,641
Iowa Department of Human Services	Child Care Resource and Referral	41,177
Iowa Department of Education	Shared Visions	23,376
Illinois Department of Human Services	Child Care Resource and Referral	121,553
United Way of Quad Cities	Wraparound	12,592
Iowa Child Care & Early Education Network	Infant Toddler	51,007
Iowa Child Care & Early Education Network	IA School Age Grant	2,575
Cedar County Empowerment	Vendor/Voucher	3,750
Tipton Schools	Muscatine/Cedar UW	1,222
West Central Development Corporation	Food Assistance	2,798
		<u>\$ 339,804</u>

9. Leases

Existing operating leases cover field offices, Head Start classrooms, and office equipment. These leases generally are written over a one-year to ten-year period and the Organization expects to renew or replace most leases at their expiration.

On October 29, 2004, the Organization entered into an operating lease agreement for their administrative offices. This lease, which commenced on November 1, 2004, is for an initial term of five years and seven months, ending May 31, 2010. Contingent upon the landlord's purchase of the premises, which took place during the fiscal year ended October 31, 2005, four years and five months have been added to the initial term of the lease, for a total of ten years. In addition, the lease contains renewal options for two additional five-year periods after the initial term. The rent for the initial term of this lease shall be \$6,000 for the first month, \$12,000 monthly for the remainder of the first three years. Rental for years four through six will be \$13,100 per month and years seven through ten will be \$14,300 per month. Rentals for the two option periods will be \$16,100 and \$18,600 per month respectively.

Rent and equipment lease expenses totaled \$180,758 for the year ended October 31, 2005. The following represents lease obligations existing at the year-end over their remaining minimum terms as follows:

<u>Fiscal Year Ended</u>	<u>Amount</u>
October 31, 2006	\$ 170,639
October 31, 2007	170,639
October 31, 2008	181,839
October 31, 2009	178,039
October 31, 2010	168,063
Thereafter	<u>705,608</u>
Total	<u>\$ 1,574,827</u>

10. Retirement Plan

The Organization sponsors a tax deferred annuity plan on behalf of its employees. The plan is a defined contribution benefit plan that qualifies under Section 403(b) of the Internal Revenue Code. All employees who complete three months of service and agree to contribute at least 3% of their salary are eligible to become participants of the plan. Iowa East Central T.R.A.I.N. contributes 6% of a participant's salary to the plan. During the year ended October 31, 2005, the Organization contributed \$188,696 to the plan, while the employees contributed \$224,400.

The Organization also participates in the Iowa Public Employers Retirement System (IPERS) for certain employees. IPERS is a multiple-employer defined benefit 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.

Plan members are required to contribute 3.70% of their wages and the Organization is required to contribute 5.75% of covered payroll. The contribution requirements are established by state statute. The Organization's contribution to IPERS during the year ended October 31, 2005, totaled \$57,343 and employee contributions totaled \$36,899.

11. Temporarily Restricted Net Assets

Contributions received from the public and program income or grant awards to be used for specific assistance to eligible low-income families are classified as temporarily restricted net assets. A description of these net assets (deficits) is as follows:

Weatherization Inventory Grant	\$ 52,800
Resource and Referral Fees	17,677
Customer Contributions - Heating Assistance	<u>12,564</u>
	<u>\$ 83,041</u>

12. Contingent Liabilities and Commitments

Forgivable Loan

In February 2004 the Organization obtained a \$10,000 Child Care Center Business Practices Forgivable Loan from the Iowa Child Care & Early Education NetWork. Upon fulfillment of all terms of the agreement, the loan will be forgiven in January 2007. No liability has been recognized at this time. Failure to fulfill the agreement's terms will result in full repayment of the loan without interest.

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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

Board of Directors
Iowa East Central T.R.A.I.N.
Davenport, Iowa

We have audited the financial statements of Iowa East Central T.R.A.I.N. (a nonprofit organization) as of and for the year ended October 31, 2005, and have issued our report thereon dated December 8, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Iowa East Central T.R.A.I.N.'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 an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa East Central T.R.A.I.N.'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 that are required to be reported under Government Auditing Standards.

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

Meriwether Wilson and Company, P.L.C.
MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

December 8, 2005
West Des Moines, Iowa

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PERRY 515/465-3593

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

Board of Directors
Iowa East Central T.R.A.I.N.
Davenport, Iowa

Compliance

We have audited the compliance of Iowa East Central T.R.A.I.N. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended October 31, 2005. Iowa East Central T.R.A.I.N.'s major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of Iowa East Central T.R.A.I.N.'s management. Our responsibility is to express an opinion on Iowa East Central T.R.A.I.N.'s compliance based on our audit.

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

In our opinion, Iowa East Central T.R.A.I.N. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended October 31, 2005.

Internal Control over Compliance

The management of Iowa East Central T.R.A.I.N. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Iowa East Central T.R.A.I.N.'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 the internal control over compliance in accordance with OMB Circular A-133.

Page Two

Report on Compliance with Requirements Applicable to Each Major Program
and 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 grants 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 is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Meriwether, Wilson and Company, P.L.C.

MERIWETHER, WILSON AND COMPANY, P.L.C.
Certified Public Accountants

December 8, 2005
West Des Moines, Iowa

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Findings and Questioned Costs

Year Ended October 31, 2005

Summary of Auditor's Results

1. We have issued an unqualified opinion on the financial statements of Iowa East Central T.R.A.I.N. as of and for the year ended October 31, 2005.
2. No reportable conditions relating to the audit of the financial statements are reported in the auditor's report on internal control over financial reporting and on compliance and other matters.
3. The results of our audit disclosed no instances of noncompliance that were considered material to the financial statements and would require reporting in accordance with Government Auditing Standards.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.
5. We have issued an unqualified opinion in our report on compliance for major programs for the year ended October 31, 2005.
6. The results of our audit disclosed no audit findings, which we are required to report under Government Auditing Standards or OMB Circular A-133.
7. The dollar threshold used to distinguish between Type A and Type B programs was \$470,115.
8. Iowa East Central T.R.A.I.N. received major federal awards as defined by OMB A-133 during the year ended October 31, 2005. The following were audited as major programs:

<u>Federal Grant</u>	<u>CFDA No.</u>		<u>Expenditures</u>
Head Start	93.600		\$ 4,042,671
Child Care and Development Block Grant	93.575	1,244,194	
Child Care and Development Fund	93.596	<u>1,770,857</u>	3,015,051
Weatherization Assistance	81.042		<u>477,963</u>
			<u>\$ 7,535,685</u>

9. Iowa East Central T.R.A.I.N. did qualify as a low-risk auditee.

Findings Related to the Financial Statements

None

Findings and Questioned Costs Related to Federal Awards

None

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Expenditures of Federal Awards

November 1, 2004 Through October 31, 2005

Grantor/Pass-Through Agency	Grant Number
Type A Programs - \$470,115 or More	
U.S. Department of Health and Human Services	
Head Start and Early Head Start	07CH6198/39
Passed Through Iowa Department of Human Rights	
Weatherization Assistance	HEAP-05-03D
Weatherization Assistance	HEAP-04-03D
Low Income Home Energy Assistance Programs	LIHEAP-06-03-D
Low Income Home Energy Assistance Programs	LIHEAP-05-03-D
Total CFDA #93.568	
Community Services Block Grant	CSBG-05-03-CD
Community Services Block Grant	CSBG-04-03-CD
Total CFDA #93.569	
Family Development and Self-Sufficiency Program	FaDSS-06-03-FD
Family Development and Self-Sufficiency Program	FaDSS-05-03-FD
Passed Through State of Illinois Department of Human Services	
Child Care Subsidy Program - Non-Cash Vouchers	81X5407CRR
Passed Through State of Iowa Department of Human Services	
Community Child Resource and Referral	ACFS-02-044
Community Child Resource and Referral	ACFS-02-041
Passed Through Iowa Child Care and Early Education Network	
Iowa School Age Grant	55
Iowa School Age Grant	2006-05
Passed Through Scott County Community Empowerment	
Head Start Program - Armstrong	N/A
Head Start Program - Grace	N/A
Head Start Program - Armstrong	N/A
Head Start Program - Grace	N/A
Passed Through Clinton/Jackson Empowerment Area	
Temporary Assistance for Needy Families	EMP2005-1005
Temporary Assistance for Needy Families	EMP2005-1005
Temporary Assistance for Needy Families	N/A
Home Consultant	N/A
Passed Through Cedar County Empowerment Board	
Temporary Assistance for Needy Families	N/A
Temporary Assistance for Needy Families	N/A
Passed Through Muscatine Empowerment Area	
Muscatine V/V - Early Childhood	N/A
Muscatine V/V - Early Childhood	N/A
Total CFDA #93.558	

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Expenditures of Federal Awards

November 1, 2004 Through October 31, 2005

<u>Grant Period</u>	<u>CFDA* Number</u>	<u>Award Amount</u>	<u>Federal Expenses</u>
11/01/04 - 10/31/05	93.600	\$ 4,042,671	<u>\$ 4,042,671</u>
04/01/05 - 03/31/06	93.568	542,915	92,936
04/01/04 - 03/31/05	93.568	517,203	328,837
10/01/05 - 09/30/06	93.568	2,191,639	122,737
10/01/04 - 09/30/05	93.568	2,980,412	<u>2,961,862</u>
			<u>3,506,372</u>
10/01/04 - 12/31/05	93.569	634,669	518,074
10/01/03 - 03/31/05	93.569	633,528	<u>87,318</u>
			<u>605,392</u>
07/01/05 - 06/30/06	93.558	305,396 53% Federal	49,216
07/01/04 - 06/30/05	93.558	305,396 53% Federal	105,929
07/01/04 - 06/30/05	93.558	N/A	2,214,695
07/01/04 - 06/30/05	93.558	40,000	29,405
07/01/05 - 06/30/06	93.558	40,000	11,471
04/01/04 - 06/30/05	93.558	7,161	4,570
07/01/05 - 06/30/06	93.558	7,254	1,052
07/01/05 - 06/30/06	93.558	48,950	11,958
07/01/05 - 06/30/06	93.558	37,602	11,705
07/01/04 - 06/30/05	93.558	47,314	34,343
07/01/04 - 06/30/05	93.558	36,235	23,783
07/01/04 - 06/30/05	93.558	31,213	19,975
07/01/05 - 09/30/05	93.558	7,803	7,411
10/01/05 - 06/30/06	93.558	23,410	6,135
10/01/05 - 06/30/06	93.558	42,195	195
07/01/04 - 06/30/05	93.558	1,150	1,150
07/01/04 - 06/30/05	93.558	1,600	1,600
07/01/05 - 06/30/06	93.558	126,894	29,887
07/01/04 - 06/30/05	93.558	125,740	<u>93,584</u>
			<u>2,658,064</u>

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Expenditures of Federal Awards

November 1, 2004 Through October 31, 2005

Grantor/Pass-Through Agency	Grant Number
Type A Programs - Continued	
U.S. Department of Health and Human Services - Continued	
Passed Through State of Illinois Department of Human Services	
Child Care Resource and Referral - Subsidy	81X5407CRR
Child Care Resource and Referral - Core	81X5407CRR
Illinois DHS - Other	81X5407CRR
Child Care Subsidy Program - Non-Cash Vouchers	81X5407CRR
Child Care Subsidy Program - Non-Cash Vouchers	81X5407CRR
Passed Through INCCRRA	
Resource and Referral Training - Technology	N/A
Passed Through State of Iowa Department of Human Services	
Community Child Resource and Referral	ACFS-02-044
Community Child Resource and Referral	ACFS-02-041
Resource and Referral Training - Kits/Parent Services/Home Consultant	ACFS-01-051
Wraparound Child Care	06053 thru 06059
Wraparound Child Care	05074 thru 05077
Infant and Toddler Program	N/A
Passed Through Iowa Child Care and Early Education Network	
Infant and Toddler Program	65
Resource and Referral Training - Kits/Parent Services/Home Consultant	45
Total CFDA Cluster #93.575 and #93.596	
U.S. Department of Agriculture	
Passed Through Iowa Department of Education	
Child and Adult Care Food Program	82-8011
Child and Adult Care Food Program	82-8011
Child and Adult Care Food Program	82-8022
Child and Adult Care Food Program	82-8022
Total CFDA #10.558	
U.S. Department of Energy	
Passed Through Iowa Department of Human Rights	
Weatherization Assistance	DOE-04-03D
Weatherization Assistance	DOE-05-03D
Total CFDA #81.042	
Total Type A Programs	

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Expenditures of Federal Awards

November 1, 2004 Through October 31, 2005

<u>Grant Period</u>	<u>CFDA* Number</u>	<u>Award Amount</u>		<u>Federal Expenses</u>
07/01/04 - 06/30/05	93.596	432,163		35,802
07/01/04 - 06/30/05	93.575	278,153		207,547
07/01/04 - 06/30/05	93.575	230,684		147,091
07/01/04 - 06/30/05	93.596	N/A		1,231,736
07/01/04 - 06/30/05	93.575	N/A		546,685
07/01/03 - 06/30/05	93.575	6,288	40% Federal	17
07/01/04 - 06/30/05	93.596	565,803	81.42% Federal	356,622
07/01/05 - 06/30/06	93.596	565,803	81.42% Federal	146,697
07/01/05 - 06/30/06	93.575	115,000	40% Federal	6,529
09/01/05 - 08/31/06	93.575	240,000		58,542
09/01/04 - 08/31/05	93.575	192,000		163,999
07/01/05 - 06/30/06	93.575	71,186		20,179
07/01/04 - 06/30/05	93.575	87,390		70,773
07/01/04 - 06/30/05	93.575	115,000	40% Federal	22,832
				<u>3,015,051</u>
10/01/05 - 09/30/06	10.558	N/A		19,478
10/01/04 - 09/30/05	10.558	N/A		206,972
10/01/05 - 09/30/06	10.558	N/A		85,020
10/01/04 - 09/30/05	10.558	N/A		950,874
				<u>1,262,344</u>
04/01/04 - 03/31/05	81.042	395,422		84,287
04/01/05 - 03/31/06	81.042	397,107		393,676
				<u>477,963</u>
				<u>15,567,857</u>

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Expenditures of Federal Awards

November 1, 2004 Through October 31, 2005

<u>Grantor/Pass-Through Agency</u>	<u>Grant Number</u>
Type B Programs	
Department of National Security Emergency Food and Shelter National Board Program	Various
U. S. Department of Health and Human Services	
Passed Through State of Illinois Department of Human Services Child Care Subsidy Program - Non-Cash Vouchers	81X5407CRR
Passed Through Heritage Area Agency on Aging, Kirkwood Community College	
Special Programs for the Aging - Title III Part B	N/A
Special Programs for the Aging - Title III Part B	N/A
Total CFDA #93.044	
Passed Through West Central Development Corporation	
Food Assistance Program	N/A
Passed Through Great River Bend Area Agency on Aging	
Title V	N/A
Title V	N/A
Total CFDA #17.235	
Total Type B Programs	
Total Federal Awards	

IOWA EAST CENTRAL T.R.A.I.N.

Schedule of Expenditures of Federal Awards

November 1, 2004 Through October 31, 2005

<u>Grant Period</u>	<u>CFDA* Number</u>	<u>Award Amount</u>	<u>Federal Expenses</u>
10/01/04 - 09/30/05	97.024	60,740	<u>60,740</u>
07/01/04 - 06/30/05	93.667	N/A	<u>15,132</u>
07/01/04 - 06/30/05	93.044	3,238	3,198
07/01/05 - 06/30/06	93.044	2,178	<u>1,221</u>
			<u>4,419</u>
04/01/05 - 03/31/06	93.571	3,000	<u>202</u>
07/01/05 - 06/30/06	17.235	22,543	4,942
07/01/04 - 06/30/05	17.235	23,774	<u>17,214</u>
			<u>22,156</u>
			<u>102,649</u>
			<u>\$ 15,670,506</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.

Notes to Schedule of Expenditures of Federal Awards

Year Ended October 31, 2005

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Iowa East Central T.R.A.I.N. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

Note B – Illinois Department of Human Services

Iowa East Central T.R.A.I.N. acts as an agent of the Illinois Department of Human Services in determining eligibility and initiating the payment process for the State's Child Care Subsidy Program. The dollar value of child-care certificates (vouchers) initiated by Iowa East Central T.R.A.I.N. is defined as a non-cash transaction according to OMB Circular A-133. These amounts, which have been reported on the Schedule of Expenditures of Federal Awards as Child Care Subsidy Program – Non-Cash Vouchers, are reported in conjunction with the State of Illinois' fiscal year of July 1, 2004 through June 30, 2005. Amounts corresponding to Iowa East Central T.R.A.I.N.'s fiscal year were unavailable from the State.

Note C – Sub Recipients

Of the federal expenditures presented in the Schedule, the Organization provided federal awards to sub recipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Provided to Sub Recipients</u>
Community Child Care Resource and Referral	93.596	<u>\$ 223,804</u>

These amounts were passed through to various other child-care resource and referral provider organizations.

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets

Year Ended October 31, 2005

	Total	Corporate Activity	Grant Funded Property & Equipment	Total Program Activity
Revenue				
Grant Revenue				
Prior Year Unearned	\$ 2,799,490	--	--	2,799,490
Current Year Awards	13,564,117	--	--	13,564,117
Unearned Revenue	(2,736,758)	--	--	(2,736,758)
Repaid/Deobligated	(191,768)	--	--	(191,768)
Net Grant Revenue	<u>13,435,081</u>	<u>--</u>	<u>--</u>	<u>13,435,081</u>
Program Income and Support	122,946	122,946	--	--
Interest Income	10,272	10,272	--	--
In Kind Contributions/Local Match	865,121	--	--	865,121
Other Income	73,913	40,141	--	33,772
Total Revenue	<u>14,507,333</u>	<u>173,359</u>	<u>--</u>	<u>14,333,974</u>
Expenses				
Personnel	5,046,929	15,182	--	5,031,747
Management and Administration	712,038	--	--	712,038
Direct Client Assistance	4,091,258	--	--	4,091,258
Consultants/Contractual	883,096	--	--	883,096
Travel/Transportation	70,521	--	--	70,521
Space Costs	450,539	--	--	450,539
Supplies	519,338	--	--	519,338
Weatherization Materials	249,191	--	--	249,191
Weatherization Labor	496,697	--	--	496,697
Weatherization Support	287,347	--	--	287,347
Weatherization Health and Safety	117,916	--	--	117,916
Equipment	42,045	--	(80,006)	122,051
Other	504,771	150,509	--	354,262
Depreciation	135,310	27,145	108,165	--
In Kind Expenses	865,121	--	--	865,121
Total Expenses	<u>14,472,117</u>	<u>192,836</u>	<u>28,159</u>	<u>14,251,122</u>
Increase (Decrease) in Net Assets	<u>35,216</u>	<u>(19,477)</u>	<u>(28,159)</u>	<u>82,852</u>
Net Assets as Previously Reported	1,021,750	1,021,561	--	189
Cumulative Effect of Accounting Changes	<u>734,864</u>	<u>(157,999)</u>	<u>892,863</u>	<u>--</u>
Net Assets at Beginning of Year - As Restated	1,756,614	863,562	892,863	189
Transfers	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at End of Year	<u>\$ 1,791,830</u>	<u>844,085</u>	<u>864,704</u>	<u>83,041</u>

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

	2005 Head Start Full Year Part Day	2005 Head Start Training	2005 Early Head Start	2005 Early Head Start Training	2005 Title V
Revenue					
Grant Revenue					
Prior Year Unearned	\$ --	--	--	--	--
Current Year Awards	3,569,418	40,079	422,609	10,565	17,214
Unearned Revenue	--	--	--	--	--
Repaid/Deobligated	--	--	--	--	--
Net Grant Revenue	<u>3,569,418</u>	<u>40,079</u>	<u>422,609</u>	<u>10,565</u>	<u>17,214</u>
Program Income and Support	--	--	--	--	--
Interest Income	--	--	--	--	--
In Kind Contributions	748,568	--	116,553	--	--
Other Income	--	--	--	--	--
Total Revenue	<u>4,317,986</u>	<u>40,079</u>	<u>539,162</u>	<u>10,565</u>	<u>17,214</u>
Expenses					
Personnel	2,385,433	12,864	299,604	--	17,214
Management and Administration	312,492	1,688	39,248	--	--
Direct Client Assistance	--	--	--	--	--
Consultants/Contractual	296,489	1,255	18,183	--	--
Travel/Transportation	19,162	3,811	1,756	4,332	--
Space Costs	245,767	4,536	31,074	--	--
Supplies	212,843	32	25,082	110	--
Weatherization Materials	--	--	--	--	--
Weatherization Labor	--	--	--	--	--
Weatherization Support	--	--	--	--	--
Weatherization Health and Safety	--	--	--	--	--
Equipment	17,411	--	87	--	--
Other	79,821	15,873	7,575	6,123	--
Depreciation	--	--	--	--	--
In Kind Expenses	748,568	--	116,553	--	--
Total Expenses	<u>4,317,986</u>	<u>40,079</u>	<u>539,162</u>	<u>10,565</u>	<u>17,214</u>
Increase (Decrease) in Net Assets	--	--	--	--	--
Net Assets as Previously Reported	--	--	--	--	--
Cumulative Effect of Accounting Changes	--	--	--	--	--
Net Assets at Beginning of Year - As Restated	--	--	--	--	--
Transfers	--	--	--	--	--
Net Assets at End of Year	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

	2005 Weatheri- zation HEAP	2006 Weatheri- zation HEAP	2005 Low Income Home Energy	2006 Low Income Home Energy	Weatheri- zation Inventory
Revenue					
Grant Revenue					
Prior Year Unearned	\$439,814	--	50,744	--	--
Current Year Awards	--	542,915	2,912,672	122,737	--
Unearned Revenue	--	(449,979)	--	--	--
Repaid/Deobligated	(110,977)	--	(1,554)	--	--
Net Grant Revenue	328,837	92,936	2,961,862	122,737	--
Program Income and Support	--	--	--	--	--
Interest Income	--	--	--	--	--
In Kind Contributions/Local Match	--	--	--	--	--
Other Income	--	--	--	--	--
Total Revenue	328,837	92,936	2,961,862	122,737	--
Expenses					
Personnel	--	--	208,291	38,590	--
Management and Administration	3,943	4,864	27,286	5,055	--
Direct Client Assistance	--	--	2,691,480	72,721	--
Consultants/Contractual	--	--	--	2,310	--
Travel/Transportation	--	--	145	--	--
Space Costs	--	--	13,763	2,546	--
Supplies	--	--	2,122	348	--
Weatherization Materials	19,918	10,201	--	--	--
Weatherization Labor	59,296	3,766	--	--	--
Weatherization Support	117,312	54,125	--	--	(62,496)
Weatherization Health and Safety	27,243	17,850	--	--	--
Equipment	101,125	2,130	--	--	--
Other	--	--	18,775	1,167	--
Depreciation	--	--	--	--	--
In Kind Expenses	--	--	--	--	--
Total Expenses	328,837	92,936	2,961,862	122,737	(62,496)
Increase (Decrease) in Net Assets	--	--	--	--	62,496
Net Assets as Previously Reported	--	--	--	--	(9,696)
Cumulative Effect of Accounting Changes	--	--	--	--	--
Net Assets at Beginning of Year - As Restated	--	--	--	--	(9,696)
Transfers	--	--	--	--	--
Net Assets at End of Year	\$ --	--	--	--	52,800

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

	2005 Clinton, Cedar Cty Head Start	2006 Clinton, Cedar Cty Head Start	2005 & 2006 Clinton, Jackson R & R Training	2005 Muscatine Vendor/ Voucher
Revenue				
Grant Revenue				
Prior Year Unearned	\$ 30,637	--	870	138,417
Current Year Awards	7,803	23,410	68,158	2,500
Unearned Revenue	--	(17,275)	--	--
Repaid/Deobligated	(392)	--	(54,113)	(147)
Net Grant Revenue	<u>38,048</u>	<u>6,135</u>	<u>14,915</u>	<u>140,770</u>
Program Income and Support	--	--	--	--
Interest Income	--	--	--	--
In Kind Contributions/Local Match	--	--	--	--
Other Income	--	--	--	--
Total Revenue	<u>38,048</u>	<u>6,135</u>	<u>14,915</u>	<u>140,770</u>
Expenses				
Personnel	27,962	4,245	--	13,255
Management and Administration	3,663	556	200	1,737
Direct Client Assistance	--	--	--	123,017
Consultants/Contractual	--	--	1,788	--
Travel/Transportation	--	--	--	224
Space Costs	624	243	--	1,355
Supplies	5,799	1,091	405	1,182
Weatherization Materials	--	--	--	--
Weatherization Labor	--	--	--	--
Weatherization Support	--	--	--	--
Weatherization Health and Safety	--	--	--	--
Equipment	--	--	--	--
Other	--	--	12,522	--
Depreciation	--	--	--	--
In Kind Expenses	--	--	--	--
Total Expenses	<u>38,048</u>	<u>6,135</u>	<u>14,915</u>	<u>140,770</u>
Increase (Decrease) in Net Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets as Previously Reported	--	--	--	--
Cumulative Effect of Accounting Changes	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at Beginning of Year - As Restated	--	--	--	--
Transfers	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at End of Year	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

	Department of				
	2005 Wrap- around Clinton	2006 Wrap- around Clinton	2005 Wrap- around Scott	2006 Wrap- around Scott	2005 Wrap- around Muscatine
Revenue					
Grant Revenue					
Prior Year Unearned	\$36,981	--	43,507	--	37,346
Current Year Awards	--	48,000	--	48,000	--
Unearned Revenue	--	(29,906)	--	(39,072)	--
Repaid/Deobligated	--	--	--	--	--
Net Grant Revenue	<u>36,981</u>	<u>18,094</u>	<u>43,507</u>	<u>8,928</u>	<u>37,346</u>
Program Income and Support	--	--	--	--	--
Interest Income	--	--	--	--	--
In Kind Contributions/Local Match	--	--	--	--	--
Other Income	--	--	--	--	--
Total Revenue	<u>36,981</u>	<u>18,094</u>	<u>43,507</u>	<u>8,928</u>	<u>37,346</u>
Expenses					
Personnel	28,271	13,482	34,210	6,012	28,330
Management and Administration	3,708	1,766	4,197	787	3,714
Direct Client Assistance	--	--	--	--	--
Consultants/Contractual	--	--	--	--	--
Travel/Transportation	--	--	--	--	--
Space Costs	436	877	1,335	41	1,121
Supplies	4,566	1,969	3,765	2,088	4,181
Weatherization Materials	--	--	--	--	--
Weatherization Labor	--	--	--	--	--
Weatherization Support	--	--	--	--	--
Weatherization Health and Safety	--	--	--	--	--
Equipment	--	--	--	--	--
Other	--	--	--	--	--
Depreciation	--	--	--	--	--
In Kind Expenses	--	--	--	--	--
Total Expenses	<u>36,981</u>	<u>18,094</u>	<u>43,507</u>	<u>8,928</u>	<u>37,346</u>
Increase (Decrease) in Net Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets as Previously Reported	--	--	--	--	--
Cumulative Effect of Accounting Changes	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at Beginning of Year - As Restated	--	--	--	--	--
Transfers	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at End of Year	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

	2005 Child Care Plus/ Scott I	2006 Child Care Plus/ Scott I	2005 Child Care Plus/ Scott II	2006 Child Care Plus/ Scott II	2004 IPL Weatheri- zation
Revenue					
Grant Revenue					
Prior Year Unearned	\$ 45,093	--	36,758	--	33,970
Current Year Awards	--	64,463	--	63,697	--
Unearned Revenue	--	(40,054)	--	(47,401)	--
Repaid/Deobligated	--	--	--	--	--
Net Grant Revenue	45,093	24,409	36,758	16,296	33,970
Program Income and Support	--	--	--	--	--
Interest Income	--	--	--	--	--
In Kind Contributions/Local Match	--	--	--	--	--
Other Income	--	--	--	--	--
Total Revenue	45,093	24,409	36,758	16,296	33,970
Expenses					
Personnel	34,757	17,571	29,322	11,359	--
Management and Administration	4,555	2,302	3,841	1,488	1,616
Direct Client Assistance	--	--	--	--	--
Consultants/Contractual	--	--	--	--	--
Travel/Transportation	--	--	--	--	--
Space Costs	490	441	(1,224)	617	--
Supplies	4,201	3,445	4,500	2,184	--
Weatherization Materials	--	--	--	--	13,728
Weatherization Labor	--	--	--	--	15,160
Weatherization Support	--	--	--	--	3,466
Weatherization Health and Safety	--	--	--	--	--
Equipment	--	--	--	--	--
Other	1,090	650	319	648	--
Depreciation	--	--	--	--	--
In Kind Expenses	--	--	--	--	--
Total Expenses	45,093	24,409	36,758	16,296	33,970
Increase (Decrease) in Net Assets	--	--	--	--	--
Net Assets as Previously Reported	--	--	--	--	--
Cumulative Effect of Accounting Changes	--	--	--	--	--
Net Assets at Beginning of Year - As Restated	--	--	--	--	--
Transfers	--	--	--	--	--
Net Assets at End of Year	\$ --	--	--	--	--

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

State and Local Programs							
2005 IPL Weatheri- zation	2005 Mid American Energy	2005 Clinton Aid to the Elderly	2006 Clinton Aid to the Elderly	2004 Aid to the Elderly	2005 Aid to the Elderly	Customer Contribution Continuous	Resource & Referral Fees Continuous
--	--	12,183	--	1,470	3,263	--	--
281,303	206,358	--	14,750	--	400	52,613	--
(50,935)	--	--	(13,612)	--	(1,221)	--	--
--	--	--	--	--	--	--	--
<u>230,368</u>	<u>206,358</u>	<u>12,183</u>	<u>1,138</u>	<u>1,470</u>	<u>2,442</u>	<u>52,613</u>	<u>--</u>
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
<u>230,368</u>	<u>206,358</u>	<u>12,183</u>	<u>1,138</u>	<u>1,470</u>	<u>2,442</u>	<u>52,613</u>	<u>33,772</u>
							<u>33,772</u>
--	--	--	--	--	--	--	--
10,970	9,833	525	--	--	--	190	204
--	--	11,658	1,138	401	3,511	54,281	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	903
80,566	66,562	--	--	--	--	--	--
116,472	110,095	--	--	--	--	--	--
22,360	19,868	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	10,451
--	--	--	--	--	--	--	--
<u>230,368</u>	<u>206,358</u>	<u>12,183</u>	<u>1,138</u>	<u>401</u>	<u>3,511</u>	<u>54,471</u>	<u>11,558</u>
--	--	--	--	1,069	(1,069)	(1,858)	22,214
--	--	--	--	--	--	14,422	(4,537)
--	--	--	--	--	--	--	--
--	--	--	--	--	--	14,422	(4,537)
--	--	--	--	(1,069)	1,069	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,564</u>	<u>17,677</u>

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

	2005 United Way Wrap- around	2006 United Way Wrap- around	2004 R & R Training	2005 R & R Training	2005 Head Start Schools
Revenue					
Grant Revenue					
Prior Year Unearned	\$ 37,959	--	41	14,359	--
Current Year Awards	--	51,242	--	13,618	3,780
Unearned Revenue	--	(46,138)	--	--	--
Repaid/Deobligated	--	--	--	(4,488)	--
Net Grant Revenue	<u>37,959</u>	<u>5,104</u>	<u>41</u>	<u>23,489</u>	<u>3,780</u>
Program Income and Support	--	--	--	--	--
Interest Income	--	--	--	--	--
In Kind Contributions/Local Match	--	--	--	--	--
Other Income	--	--	--	--	--
Total Revenue	<u>37,959</u>	<u>5,104</u>	<u>41</u>	<u>23,489</u>	<u>3,780</u>
Expenses					
Personnel	6,127	4,454	--	--	3,780
Management and Administration	802	583	--	--	--
Direct Client Assistance	--	--	--	--	--
Consultants/Contractual	29,955	--	--	4,571	--
Travel/Transportation	--	--	--	--	--
Space Costs	--	--	--	--	--
Supplies	1,075	67	41	18,918	--
Weatherization Materials	--	--	--	--	--
Weatherization Labor	--	--	--	--	--
Weatherization Support	--	--	--	--	--
Weatherization Health and Safety	--	--	--	--	--
Equipment	--	--	--	--	--
Other	--	--	--	--	--
Depreciation	--	--	--	--	--
In Kind Expenses	--	--	--	--	--
Total Expenses	<u>37,959</u>	<u>5,104</u>	<u>41</u>	<u>23,489</u>	<u>3,780</u>
Increase (Decrease) in Net Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets as Previously Reported	--	--	--	--	--
Cumulative Effect of Accounting Changes	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at Beginning of Year - As Restated	--	--	--	--	--
Transfers	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Assets at End of Year	<u>\$ --</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>

IOWA EAST CENTRAL T.R.A.I.N.

Combining Statement of Activities and Changes in Net Assets - Continued

Year Ended October 31, 2005

State and Local Programs								
2006 Head Start Cedar Empowerment	2006 Cedar Vendor/ Voucher	2005 DeWitt CHORE Service	2006 DeWitt CHORE Service	2005 Heritage CHORE Service	2006 Heritage CHORE Service	2005 Cedar CHORE Service	2006 Cedar CHORE Service	State and Local Programs Subtotal
--	--	2,375	--	3,702	--	1,554	--	192,727
10,908	15,000	3,000	5,460	--	6,478	--	2,314	795,384
(7,937)	(15,000)	--	(3,935)	--	(5,257)	--	(1,657)	(233,147)
--	--	--	--	(503)	--	(483)	--	(5,474)
<u>2,971</u>	<u>--</u>	<u>5,375</u>	<u>1,525</u>	<u>3,199</u>	<u>1,221</u>	<u>1,071</u>	<u>657</u>	<u>749,490</u>
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	33,772
<u>2,971</u>	<u>--</u>	<u>5,375</u>	<u>1,525</u>	<u>3,199</u>	<u>1,221</u>	<u>1,071</u>	<u>657</u>	<u>783,262</u>
1,483	--	--	--	--	--	--	--	108,853
194	--	537	153	322	123	107	66	38,411
--	--	4,838	1,372	2,877	1,098	964	591	82,729
--	--	--	--	--	--	--	--	34,526
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	324
1,294	--	--	--	--	--	--	--	36,628
--	--	--	--	--	--	--	--	160,856
--	--	--	--	--	--	--	--	241,727
--	--	--	--	--	--	--	--	45,694
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	13,158
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	--
<u>2,971</u>	<u>--</u>	<u>5,375</u>	<u>1,525</u>	<u>3,199</u>	<u>1,221</u>	<u>1,071</u>	<u>657</u>	<u>762,906</u>
--	--	--	--	--	--	--	--	20,356
--	--	--	--	--	--	--	--	9,885
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	--	--	9,885
--	--	--	--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>30,241</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

DOE Programs

Contract No. DOE-05-03D
(Contract Period 4/01/05 - 3/31/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 4/01/05 - 10/31/05</u>
Administration	\$ 22,659	22,459
Health and Safety	74,889	57,853
Support	97,079	122,608
Labor	101,240	145,434
Materials	101,240	45,322
Total	<u>\$397,107</u>	<u>393,676</u>

Contract No. DOE-04-03D
(Contract Period 4/01/04 - 3/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 3/31/05</u>	<u>4/01/04 - 10/31/04</u>
Administration	\$ 22,493	22,338	(155)	22,493
Health and Safety	74,586	68,144	14,970	53,174
Support	96,685	113,433	10,104	103,329
Labor	100,829	135,192	46,474	88,718
Materials	100,829	52,453	12,894	39,559
Total	<u>\$395,422</u>	<u>391,560</u>	<u>84,287</u>	<u>307,273</u>

SEE INDEPENDENT AUDITOR'S REPORT.

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

HEAP Weatherization Programs

Contract No. HEAP-05-03D
(Contract Period 4/01/05 - 3/31/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 4/01/05 - 10/31/05</u>
Administration	\$ 27,957	4,864
Health and Safety	98,809	17,850
Support	128,086	54,125
Labor	133,576	3,766
Materials	133,576	10,201
Equipment	<u>20,911</u>	<u>2,130</u>
Total	<u>\$ 542,915</u>	<u>92,936</u>

Contract No. HEAP-04-03D
(Contract Period 4/01/04 - 3/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 3/31/05</u>	<u>4/01/04 - 10/31/04</u>
Administration	\$ 26,053	4,336	3,943	393
Health and Safety	92,019	47,395	27,242	20,153
Support	119,284	149,364	116,607	32,757
Labor	124,396	59,803	59,297	506
Materials	23,271	24,059	19,918	4,141
Pollution Insurance	5,177	5,177	--	5,177
Program Expansion	101,125	101,125	101,125	--
Equipment	<u>25,878</u>	<u>14,967</u>	<u>705</u>	<u>14,262</u>
Total	<u>\$ 517,203</u>	<u>406,226</u>	<u>328,837</u>	<u>77,389</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. MEC-05-03D
(Contract Period 1/01/05 - 12/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/05 - 10/31/05</u>
Administration	\$ 10,318	9,833
Support	20,636	19,868
Labor	87,702	110,095
Materials	<u>87,702</u>	<u>66,562</u>
Total	<u>\$ 206,358</u>	<u>206,358</u>

Contract No. MEC-04-03D
(Contract Period 1/01/04 - 12/31/04)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Total</u>	<u>Actual Expenses</u>	
			<u>11/01/04 - 12/31/04</u>	<u>1/01/04 - 10/31/04</u>
Administration	\$ 6,490	6,166	--	6,166
Support	12,980	13,230	--	13,230
Labor	55,165	61,876	--	61,876
Materials	<u>55,165</u>	<u>48,528</u>	<u>--</u>	<u>48,528</u>
Total	<u>\$ 129,800</u>	<u>129,800</u>	<u>--</u>	<u>129,800</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Weatherization Assistance Programs

Contract No. IPL-05-03D
(Contract Period 1/01/05 - 12/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 1/01/05 - 10/31/05</u>
Administration	\$ 14,065	10,970
Support	28,130	22,360
Labor	119,554	116,472
Materials	119,554	80,566
Total	<u>\$ 281,303</u>	<u>230,368</u>

Contract No. IPL-04-03D
(Contract Period 1/01/04 - 12/31/04)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 12/31/04</u>	<u>1/01/04 - 10/31/04</u>
Administration	\$ 11,006	7,939	1,616	6,323
Support	22,346	21,176	3,466	17,710
Labor	58,804	72,399	15,160	57,239
Materials	58,804	49,446	13,728	35,718
Total	<u>\$ 150,960</u>	<u>150,960</u>	<u>33,970</u>	<u>116,990</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

LIHEAP Programs

Contract No. LIHEAP-06-03-D
(Contract Period 10/01/05 - 9/30/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 10/01/05 - 10/31/05</u>
Administration Costs	\$ 179,752	37,308
Regular Assistance	1,825,179	56,898
Emergency Crisis Intervention Payments	131,400	15,823
Client Services	<u>55,308</u>	<u>12,708</u>
Total	<u>\$2,191,639</u>	<u>122,737</u>

Contract No. LIHEAP-05-03-D
(Contract Period 10/01/04 - 9/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 9/30/05</u>	<u>10/01/04 - 10/31/04</u>
Administration Costs	\$ 212,531	212,531	201,955	10,576
Regular Assistance	2,387,941	2,386,387	2,386,387	--
ECIP - Furnace Repair	152,152	102,518	100,138	2,380
ECIP - Emergency Delivery	19,369	70,653	67,055	3,598
ECIP - Temporary Shelter	1,650	--	--	--
Client Services	68,869	68,869	68,427	442
Summer Deliverable Fuel	<u>137,900</u>	<u>137,900</u>	<u>137,900</u>	<u>--</u>
Total	<u>\$2,980,412</u>	<u>2,978,858</u>	<u>2,961,862</u>	<u>16,996</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

Community Services Block Grants

Contract No. CSBG 05-03-CD
(Contract Period 10/01/04 - 12/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 11/01/04 - 10/31/05</u>
Personnel	\$ 447,733	382,472
Travel	10,141	6,297
Space Costs	35,200	33,255
Equipment Costs	6,000	--
Consultants	3,000	2,139
Co-Funded Programs	27,000	15,359
Other	46,942	28,448
Indirect Costs	<u>58,653</u>	<u>50,104</u>
Total	<u>\$ 634,669</u>	<u>518,074</u>

Contract No. CSBG 04-03-CD
(Contract Period 10/01/03 - 3/31/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 3/31/05</u>	<u>11/01/03 - 10/31/04</u>
Personnel	\$ 398,033	406,671	37,541	369,130
Travel	7,500	7,170	485	6,685
Space Costs	38,800	35,044	2,955	32,089
Equipment Costs	500	48	--	48
Consultants	4,000	3,074	--	3,074
Co-Funded Programs	44,500	39,872	3,434	36,438
Other	86,859	87,268	37,986	49,282
Indirect Costs	<u>53,336</u>	<u>54,381</u>	<u>4,917</u>	<u>49,464</u>
Total	<u>\$ 633,528</u>	<u>633,528</u>	<u>87,318</u>	<u>546,210</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Iowa Department of Human Rights

Schedule of Expenses Compared to Budget

FaDSS Program

Contract No. FaDSS-06-03-FD
(Contract Period 7/01/05 - 6/30/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/01/05 - 10/31/05</u>
Administrative	\$ 31,691	9,579
Personnel		
Wages	188,995	58,785
Benefits	52,919	14,337
Travel	10,000	2,400
Space/Utilities	13,000	4,647
Other	8,791	3,112
Total Federal Expenses	305,396	92,860
Cash Match	30,199	10,064
Total	<u>\$ 335,595</u>	<u>102,924</u>

Contract No. FaDSS-05-03-FD
(Contract Period 7/01/04 - 6/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 6/30/05</u>	<u>7/01/04 - 10/31/04</u>
Administrative	\$ 32,228	31,754	20,499	11,255
Personnel				
Wages	195,551	191,608	124,468	67,140
Benefits	44,920	49,412	32,562	16,850
Travel	10,000	10,532	6,858	3,674
Space/Utilities	11,500	12,121	9,655	2,466
Other	11,197	9,969	5,825	4,144
Total Federal Expenses	305,396	305,396	199,867	105,529
Cash Match	6,000	6,137	4,279	1,858
Total	<u>\$ 311,396</u>	<u>311,533</u>	<u>204,146</u>	<u>107,387</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Department of Health and Human Services

Schedule of Expenses Compared to Budget

Head Start Full Year, Part Day Program and Early Head Start

Contract No. 07CH6198/39
(Contract Period 11/01/04 - 10/31/05)

Cost Category	Head Start Approved Budget		Head Start Actual Expenses	
	Full Year - Part Day	Training	Full Year - Part Day	Training
	Personnel	\$ 2,127,514	10,994	1,890,743
Fringe Benefits	595,704	3,079	494,690	2,422
Travel	2,600	10,021	1,688	6,095
Supplies	162,013	3,041	212,843	32
Contractual	53,801	1,800	95,002	1,255
Other	271,044	9,300	561,960	18,125
Indirect	356,742	1,844	312,492	1,688
Subtotal	3,569,418	40,079	3,569,418	40,079
In Kind	902,375	--	910,193	--
Total	<u>\$ 4,471,793</u>	<u>40,079</u>	<u>4,479,611</u>	<u>40,079</u>

Cost Category	Early Head Start Approved Budget		Early Head Start Actual Expenses	
	Full Year - Part Day	Training and Teaching	Full Year - Part Day	Training and Teaching
	Personnel	\$ 245,652	--	238,427
Fringe Benefits	68,782	--	61,177	--
Travel	3,500	3,100	594	4,332
Supplies	24,084	1,371	25,082	110
Contractual	10,368	--	24,632	--
Other	29,032	6,094	33,449	6,123
Indirect	41,191	--	39,248	--
Subtotal	422,609	10,565	422,609	10,565
In Kind	108,294	--	116,553	--
Total	<u>\$ 530,903</u>	<u>10,565</u>	<u>539,162</u>	<u>10,565</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Department of Health and Human Services

Schedule of Expenses Compared to Budget

Illinois Department of Human Services

Contract No. 81X6407000
(Contract Period 7/01/05 - 6/30/06)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses 7/01/05 - 10/31/05</u>
Core	\$ 278,153	85,213
Subsidy	432,163	139,843
HCC	8,000	2,024
Training	20,928	8,030
Mini Grant	119,228	--
Quality Counts	50,000	14,524
PDF	17,061	1,025
Accreditation	15,467	--
Total	\$ 941,000	250,659

Contract No. 81X5407CRR
(Contract Period 7/01/04 - 6/30/05)

<u>Cost Category</u>	<u>Approved Budget</u>	<u>Actual Expenses</u>		
		<u>Total</u>	<u>11/01/04 - 6/30/05</u>	<u>7/01/04 - 10/31/04</u>
Core	\$ 278,153	278,153	207,547	70,606
Subsidy	432,163	432,163	297,172	134,991
HCC	8,000	8,000	5,927	2,073
Training	20,928	20,928	16,441	4,487
Mini Grant	119,228	119,228	119,228	--
Quality Counts	50,000	50,000	34,233	15,767
PDF	17,061	17,061	15,627	1,434
Accreditation	15,467	15,467	14,892	575
Expenditures of Interest Earned	--	295	--	295
Total	\$ 941,000	941,295	711,067	230,228

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Indirect Costs and Cost Allocation Pools

Statement of Activities

November 1, 2004 Through October 31, 2005

	Cost Pools					Total
	Indirect	Space	Telephone	Equipment and Supplies	Workers' Compen- sation	
Revenue						
Indirect Cost and Cost Pool Reimbursements	\$ 714,611	288,395	36,127	69,333	--	1,108,466
Expenses						
Wages	446,718	17,480	--	--	--	464,198
Fringes	98,518	3,574	--	--	--	102,092
Audit	22,000	--	--	--	--	22,000
Legal	8,093	--	--	--	--	8,093
Pension Plan						
Administration Fee	3,343	--	--	--	--	3,343
Consultants	15,687	--	--	--	--	15,687
Travel	9,752	--	--	--	--	9,752
Supplies and Copying	47,527	2,175	--	8,142	--	57,844
Publications and Dues	8,556	--	--	--	--	8,556
Space Costs	34,877	237,995	--	--	--	272,872
Registration Fees	10,188	--	--	--	--	10,188
Equipment and Maintenance	34	1,232	--	25,752	--	27,018
Depreciation	4,052	23,092	--	--	--	27,144
Telephone	3,894	99	36,127	--	--	40,120
Postage	2,420	--	--	24,747	--	27,167
General and Property Insurance	27,970	--	--	--	--	27,970
Officers & Directors Insurance	5,458	--	--	--	--	5,458
Indirect	--	2,748	--	--	--	2,748
Total Expenses	<u>749,087</u>	<u>288,395</u>	<u>36,127</u>	<u>58,641</u>	<u>--</u>	<u>1,132,250</u>
Excess (Deficiency) of Revenue Over (Under) Expenses	<u>\$ (34,476)</u>	<u>--</u>	<u>--</u>	<u>10,692</u>	<u>--</u>	<u>(23,784)</u>

SEE INDEPENDENT AUDITOR'S REPORT

IOWA EAST CENTRAL T.R.A.I.N.
Corporate Activities Fund

Statement of Activities

November 1, 2004 Through October 31, 2005

	<u>General Fund</u>	<u>General Fund Counties</u>	<u>Total</u>
Revenue			
Interest	\$ 10,272	--	10,272
Program Income and Support			
Excess Expenditures Over Revenue - Cost Pools	(23,784)	--	(23,784)
Equipment Use Charges	27,145	--	27,145
RDA - HS - Training	15,000	--	15,000
County Support	4,200	26,895	31,095
Iowa Cares	9,070	--	9,070
UW - Wish	1,660	--	1,660
RDA - Utilities	2,000	--	2,000
SCRA - Utilities	40,000	--	40,000
SCRA - HS - Playgrounds	20,500	--	20,500
HS - Literacy	260	--	260
Other Revenue	13,842	26,299	40,141
Total Revenue	<u>120,165</u>	<u>53,194</u>	<u>173,359</u>
Expenses			
Salaries, Benefits and Indirect	15,182	--	15,182
Other Expenses			
RDA - HS - Training Room	15,000	--	15,000
RDA - HS - 7th and Vine	1,005	--	1,005
RDA - EHS - Learning Library	2,732	--	2,732
UW - Wish	1,939	--	1,939
HS - Literacy	276	--	276
SCRA - HS - 7th and Vine	946	--	946
SCRA - HS - Playground	20,500	--	20,500
SCRA - Utilities	40,000	--	40,000
RDA - Utilities	2,000	--	2,000
Iowa Cares	9,070	--	9,070
Miscellaneous	3,581	--	3,581
County Expenses	1,537	44,127	45,664
Volunteer Incentive Program	--	1,910	1,910
Cedar ELD Waiver	--	2,193	2,193
Clinton/DeWitt ELD Waiver	--	3,693	3,693
Depreciation	27,145	--	27,145
Total Expenses	<u>140,913</u>	<u>51,923</u>	<u>192,836</u>
Revenue Over (Under) Expenses	<u>(20,748)</u>	<u>1,271</u>	<u>(19,477)</u>
Net Assets - Beginning of Year - As Previously Reported	853,537	168,024	1,021,561
Cumulative Effect of Accounting Changes	<u>(157,999)</u>	<u>--</u>	<u>(157,999)</u>
Net Assets - Beginning of Year - As Restated	<u>695,538</u>	<u>168,024</u>	<u>863,562</u>
Net Assets - End of Year	<u>\$674,790</u>	<u>169,295</u>	<u>844,085</u>

SEE INDEPENDENT AUDITOR'S REPORT