

**WEST CENTRAL DEVELOPMENT CORPORATION**  
**Independent Auditors' Report**  
**Financial Statements**  
**And**  
**Supplemental Information**  
**Schedule of Findings and Questioned Costs**  
**September 30, 2004**

WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION

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September 30, 2004

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WEST CENTRAL DEVELOPMENT CORPORATION  
Board of Directors and Management  
September 30, 2004

**Officers**

Elaine Armstrong	President
Delbert King	Vice-President
Judith Knapp	Secretary

**Board Members**

<u>County</u>	<u>Representing Government</u>	<u>Representing Private</u>	<u>Representing Low-Income</u>
Cass	Don Volk	Dr. Keith Swanson	Joyce Goff
Crawford	G. Dean Hargens	John Lawler	Peggy Shumate
Fremont	David Aistrop	Rayann West	Becky Fichter
Harrison	Larry King		Don Rodasky
Mills	Naomi Christensen	Wanda Williams	Janet Fisher
Monona	Lester Nordaker	George King	Richard Schlitter
Montgomery	Dale Carlson	Linda Southworth	
Page	Elaine Armstrong	Bill Royer	Joyce Martin
Pottawattamie	Delbert King	Darlene McMartin	Marci Ludington
Shelby	Richard Ferry	Joyce Rodenborn	Judith Knapp

**Management**

Joel Dirks	Executive Director
Barb English	Fiscal Officer
Dennis Lawson	Human Resource Director
Glenna Thompson	Child Care Resource and Referral Director
Janice Nielsen	Youth Services Director
Marilyn Rodacker	Energy/Housing Director
Bob Anastasi	Outreach/Family Development Director
Linda Ahrenholtz	WIC Director
Douglas Paine	Senior Aide Project Director
Billye Dollen	Executive Secretary

The Board of Directors and Officers of West Central Development Corporation represent each of the counties. The board members shall serve as follows:

- a. One-third shall be persons who are currently on a board of supervisors or their designee and appointed each January by each county board.
- b. One-third shall be persons who are representatives of business, industry, labor, religious, welfare, and education organizations, or other major interest groups. Individuals are nominated by these interest groups and elected by the Organization's Board of Directors to a three year term with no limit on the number of terms they may serve.
- c. At least one-third shall be persons who, according to federal guidelines, have incomes at or below poverty level and are elected by such persons, or are representatives elected by such persons for a three-year term with no limit on the number of terms they may serve.



1009 Iowa Avenue  
P.O. Box 238  
Onawa, IA 51040  
Phone (712) 423-2616  
Fax (712) 423-2626

### Independent Auditors' Report

To the Board of Directors  
West Central Development Corporation  
Harlan, Iowa

We have audited the accompanying statement of financial position of West Central Development Corporation as of September 30, 2004 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of West Central Development Corporation's management. Our responsibility is to express an opinion 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 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 West Central Development Corporation as of September 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2004 on our consideration of West Central Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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.

Our audit was performed for the purposes of forming an opinion on the basic financial statements of West Central Development Corporation taken as a whole. The supplemental information as listed in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for the 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. Such 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.

The accompanying Non-GAAP supplemental information as listed in the table of contents 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 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.

*Williams & Company P.C.*  
Certified Public Accountants

Onawa, Iowa  
December 16, 2004

WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION  
Statement of Financial Position  
September 30, 2004

<u>Assets</u>	<u>Current</u>	<u>Local Property and Equipment</u>	<u>Total</u>
Current Assets			
Cash	\$ 651,357		\$ 651,357
Short-Term Investments	346,366		346,366
Receivables			
Grant Awards and Contracts - Note 2	856,335		856,335
Other	32,751		32,751
Prepaid Expenses	13,376		13,376
Total Current Assets	1,900,185		1,900,185
Property and Equipment - Note 4			
Land		\$ 45,985	45,985
Construction in Progress		256,731	256,731
Building and Leasehold Improvements		1,476,248	1,476,248
Vehicles and Equipment		1,164,121	1,164,121
		2,943,085	2,943,085
Accumulated Depreciation		1,017,828	1,017,828
Net Property and Equipment		1,925,257	1,925,257
Total Assets	1,900,185	1,925,257	3,825,442
<u>Liabilities, Deferred Revenue and Net Assets</u>			
Liabilities and Deferred Revenue			
Accounts Payable	498,522		498,522
Accrued Wages	196,280		196,280
Payroll Taxes and Benefits Payable	128,673		128,673
Accrued Vacation	216,766		216,766
Owed to Funding Sources	39,730		39,730
Note Payable Shelby County State Bank - Note 8		129,336	129,336
Note Payable Bank Iowa - Note 9		89,931	89,931
Note Payable USDA - Note 10		508,527	508,527
Deferred Revenue - Note 3	204,442		204,442
Total Liabilities and Deferred Revenue	1,284,413	727,794	2,012,207
Net Assets			
Invested in Property and Equipment		1,197,463	1,197,463
Unrestricted			
Designated for Programs	56,517		56,517
Undesignated	559,255		559,255
Total Net Assets	615,772	1,197,463	1,813,235
Total Liabilities, Deferred Revenue and Net Assets	\$ 1,900,185	\$ 1,925,257	\$ 3,825,442

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION  
Statement of Activities  
For the Year Ended September 30, 2004

	<u>Current</u>	<u>Local Property and Equipment</u>	<u>Total</u>
<b>Support and Revenue</b>			
Federal Grants and Contract Revenue	\$ 10,176,384		\$ 10,176,384
State and Local Grants and Contract Revenue	824,561		824,561
County Support	40,205		40,205
Program Income and Donations	22,614		22,614
Interest Income	8,158		8,158
Other Revenue	769,863		769,863
In Kind Professional Services	42,036		42,036
Total Support and Revenue	11,883,821	-	11,883,821
<b>Expenses</b>			
<b>Program Services</b>			
Low Income Home Energy Assistance Program	2,504,758		2,504,758
Head Start	3,344,112		3,344,112
Weatherization Assistance	586,819		586,819
Utility Weatherization Assistance	229,251		229,251
Women, Infants, and Children	456,993		456,993
Child and Adult Care Food Program - Homes	707,782		707,782
Child and Adult Care Food Program - Centers	249,029		249,029
Child Care Resource and Referral	750,536		750,536
Family Development	398,463		398,463
Senior Service America, Inc.	507,454		507,454
I Care	16,006		16,006
Pottawattamie Empowerment	183,764		183,764
C/M/M Empowerment	88,634		88,634
Corner Counties Empowerment	27,898		27,898
CDBG Page County	251,490		251,490
CDBG Shelby County	1,060,980		1,060,980
Emergency Food and Shelter Program	38,288		38,288
Other Programs	177,037		177,037
Cost Allocation Pools - Net of Internal Reimbursements	431,505		431,505
<b>Supporting Services</b>			
Undesignated Fund Expenses	17,492		17,492
Interest Payments		\$ 9,227	9,227
Depreciation		104,537	104,537
Total Expenses	12,028,291	113,764	12,142,055
(Deficiency) of Support and Revenue Over Expenses Before Capital Activity	(144,470)	(113,764)	(258,234)
<b>Capital Activity</b>			
<b>Capital Additions - Purchase of Capital</b>			
Equipment and Buildings		1,389,324	1,389,324
Real Estate Mortgages		(597,913)	(597,913)
Capital Disposals and Abandonments		(2,076)	(2,076)
Net Capital Activity	-	789,335	789,335
Excess (Deficiency) of Support and Revenue Over Expenses After Capital Additions	(144,470)	675,571	531,101
Transfers - Principal and Interest Payments	(14,943)	14,943	-
Net Assets - Beginning of Year	775,185	506,949	1,282,134
Net Assets - End of Year	\$ 615,772	\$ 1,197,463	\$ 1,813,235

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION  
Statement of Functional Expenses  
For the Year Ended September 30, 2004

	<u>Program Services</u>	<u>Indirect Management and General</u>	<u>Total</u>
Expenses			
Personnel	\$ 3,563,733	\$ 334,920	\$ 3,898,653
Fringe Benefits and Payroll Taxes	1,106,733	96,661	1,203,394
Contract Labor	617,473		617,473
Supplies	169,204	25,024	194,228
Rent	313,592	22,146	335,738
Buildings and Equipment	1,392,076	-	1,392,076
Travel	113,066	9,549	122,615
Telephone	77,041	4,586	81,627
Utilities	59,489		59,489
Assistance to Individuals	3,487,240		3,487,240
Other Direct Expenses	545,521	57,428	602,949
In Kind Professional Services	42,036		42,036
Depreciation		104,537	104,537
Indirect Costs	514,999	(514,999)	
Total Program and Supporting Expenses	<u>12,002,203</u>	<u>139,852</u>	<u>12,142,055</u>
 Total Expenses	 <u>\$ 12,002,203</u>	 <u>\$ 139,852</u>	 <u>\$ 12,142,055</u>

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION  
Statement of Cash Flows  
For the Year Ended September 30, 2004

Cash Flows from Operating Activities	
Excess of Support and Revenue over Expenses	\$ 531,101
After Capital Additions	
Adjustments to Reconcile Excess of Support and Revenue over Expenses to Net Cash Provided by Operating Activities	
Expenses Not Requiring Cash Expenditures - Depreciation	104,537
Changes in Asset and Liability Accounts Affecting Cash	
Receivables	7,428
Prepaid Expenses	345
Accounts Payable	
and Liability to Funding Sources	(14,368)
Deferred Revenue	77,706
Net Cash Flows from Operating Activities	<u>706,749</u>
Cash Flows from Investing Activities	
Purchase of Property and Equipment	(1,389,324)
Disposals and Abandonment of Equipment	2,076
Net Cash Flows from Investing Activity	<u>(1,387,248)</u>
Cash Flows from Financing Activities	
Payments on Note Payable	(5,716)
Proceeds from Bank Iowa Note	89,931
Proceeds from USDA Note	507,982
Net Cash Flows from Financing Activity	<u>592,197</u>
Net Decrease in Cash	(88,302)
Cash Balances - Beginning of Year	<u>1,086,025</u>
Cash Balances - End of Year	<u><u>997,723</u></u>
Cash	651,357
Short-Term Investments	346,366
	<u><u>\$ 997,723</u></u>

See Accompanying Notes to Financial Statements

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

**Note 1 - Summary of Significant Accounting Policies**

West Central Development Corporation (WCDC) is a private nonprofit corporation and is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code. The Organization was incorporated in 1962 under the laws of the State of Iowa under Chapter 504 of the Code of Iowa. The Organization is not considered a private foundation for income tax reporting purposes.

WCDC serves the Iowa counties of Cass, Crawford, Fremont, Harrison, Mills, Monona, Montgomery, Page, Pottawattamie, and Shelby.

WCDC's primary purpose is to administer and deliver social services for needy citizens in western and southwest Iowa. Funding and support is generally provided through contracts with the federal, state, and local government agencies and through local community support. These programs are operated for the benefit of eligible participants as defined under guidelines issued by the respective granting agencies.

- A. **Basis of Accounting** – Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. These financial statements are prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recognized when earned and expenses are recorded when the liability is incurred.
- B. **Basis of Presentation** – Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

1. Current assets primarily represent resources provided through Federal and State grant awards or contract revenue and support from other organizations. These funds are used to finance operations of various programs in accordance with applicable grant or contract provisions. Other revenue such as donations and interest income are also used to finance program activities. The following is a description of the principal programs administered by the organization.
  - a. **Community Service Block Grant (CSBG)** is funded by the U.S. Department of Health and Human Services through the Iowa Department of Human Rights on an annual basis. The grant provides funding for the administration of human service programs or provides direct support to individual programs, which require co-funding to complete their activities.
  - b. **Low Income Home Energy Assistance Program (LIHEAP)** is funded by the U.S. Department of Health and Human Services through the Iowa Department of Human Rights.

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

**Note 1 - Summary of Significant Accounting Policies – (Continued)**

- c. **Head Start** is funded by the U.S. Department of Health and Human Services through an annual grant. Head Start provides a comprehensive developmental program for preschool children, primarily all of whom come from low income families.
- d. **Senior Service America, Inc.** funds the Senior Aides grant. The program provides employment activities for senior citizens.
- e. **Child and Adult Care Food Program** is funded by the U.S. Department of Agriculture through the Iowa Department of Education under annual contracts. The contracts provide assistance for food and nutritional needs of low-income children enrolled in head start centers and day care homes.
- f. **Special Supplemental Food Program for Women, Infants, and Children (WIC)** is funded by the U.S. Department of Agriculture through the Iowa Department of Public Health under an annual grant. The program provides nutritional assistance to low income woman who are pregnant or who have an infant child, and to children under the age of five years.
- g. **Child Care Resource and Referral** was funded through a grant from the Iowa Department of Human Services. The program provides for the development and operation of child care resource and referral services.
- h. **Family Development and Self-Sufficiency Grant** was funded by the Iowa Department of Human Rights. The program provides family development and self-sufficiency counseling assistance to low income households.
- i. **Weatherization Assistance** programs are funded through grants from both the U.S. Department of Energy and the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. Additional funding is provided by area utility companies to supplement the grants. The programs provide resources to weatherize the homes of qualifying low-income households.
- j. Other programs administered by the Organization are as follows:

<u>Title</u>	<u>Expenses</u>
Head Start Wrap-Around Child Care Grant	\$ 99,560
Head Start Parent	6,007
Project Helper	6,184
Embrace Iowa	7,604
Project Share	2,002
I Care	16,006
Outreach Food Assistance Program	23,260
Harrison/Monona/Shelby Empowerment	24,081
Pottawattamie Empowerment	183,764
Cass/Mills/Montgomery Empowerment	88,634
Corner Counties Empowerment	27,898
Fremont/Page Corner Counties Program Manager	3,296
Shelby County Early Childhood Center	5,521
Community Development Block Grant – Page County	251,490
Community Development Block Grant – Shelby County	1,060,980
Emergency Food and Shelter Program	\$ 38,288

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

Note 1 - **Summary of Significant Accounting Policies** – (Continued)

- C. **Contributions** – Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All contributions of the Organization are recorded as unrestricted net assets for the year ended September 30, 2004.
- D. **Contributed Services** - During the year many non-professional individuals volunteer their time and perform a variety of tasks that assist the organization at various facilities. These services are not recorded on the basic financial statements but carry an estimated value of approximately \$643,767.
- E. **Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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, gains, expenses, and losses during the reporting period. Actual results could differ from those estimates.
- F. **Property and Equipment** - Property and equipment purchased with grant funds are recorded as a program expense in the grant expending the funds and recorded in the plant accounts to allow for tracking the historical cost of acquired fixed assets and the related depreciation (recorded using the straight - line method). The net property and equipment is recorded as an unrestricted net asset in these financial statements.
- G. **Income Taxes** - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.
- H. **Cash and Cash Equivalents** - For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash and cash equivalents.
- I. **Investments** – Short term investments consist of Certificates of Deposit. The market value of these Certificate of Deposits are equal to the book value of the certificates.
- J. **Indirect Cost Plan** - The Agency charges indirect program costs to an indirect cost pool and distributes these costs to programs on the basis of an indirect cost rate approved by the Department of Health and Human Services. The Indirect rate is applied to the program's wages and fringe benefits in determining the amount of indirect cost charged to each program from the indirect cost pool. Other common costs are allocated to programs on the basis of usage logs, space utilized, or other methods determined from recorded activities.

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

- K. **Financial Instruments** - Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash and cash equivalents. The Organization maintains its cash balances in four local area banks. The accounts are insured up to \$100,000 per each

Note 1 - **Summary of Significant Accounting Policies – (Continued)**

banking institution. At the end of the year the Organization had \$1,573,413 of cash deposits in banks, of which \$1,175,701 was over the insured limits. However, the banks with deposits in excess of the insured amounts have pledged securities they were holding as collateral for the deposits.

- L. **Advertising Costs** - Advertising costs are expensed as incurred. Total advertising costs were \$6,837.
- M. **Receivables** - Receivables from Grantor Agencies – Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Receivables from grantor agencies represent an excess of expenses over cash basis reimbursements at year-end.

Accounts Receivable/Other consists of amounts due from local non-federal grants and refunds from utility companies.

- N. **Deferred Revenue** – Deferred revenue represents an excess of cash advances by the funding source over accrued expenses at year end.

Note 2 - **Grant Receivable** - A summary of contract/grant receivables follows:

	<u>Receivable</u>
Community Service Block Grant .....	\$ 49,660
Low Income Home Energy Assistance .....	36,553
Head Start .....	238,941
Weatherization Assistance .....	49,189
Utility Weatherization Assistance .....	74,753
WIC .....	36,973
CACFP – Homes.....	53,619
CACFP – Centers .....	27,938
Child Care Resource and Referral.....	41,982
Family Development .....	9,314
Senior Service America, Inc. ....	23,641
I Care.....	1,258
Harrison/Monona/Shelby Empowerment .....	2,650
Cass/Mills/Montgomery Empowerment .....	13,716
Corner Counties Empowerment .....	6,834
Page County Community Development Block Grant .....	119,746
Shelby County Community Development Block Grant .....	<u>69,568</u>
 Total Grant Receivable .....	 \$ <u>856,335</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

Note 3 – **Deferred Revenues** – A summary of grant/contract advances follows:

	<u>Advances</u>
Pottawattamie Empowerment .....	\$ 16,735
Head Start Wrap Around Child Care Grant .....	185,076
Emergency Food and Shelter Program .....	<u>2,631</u>
Total Deferred Revenues .....	<u>\$ 204,442</u>

Note 4 - **Property and Equipment** - Property and equipment are recorded at cost and consists of the following:

	<u>Balance</u> <u>October 1,</u> <u>2003</u>	<u>Additions</u>	<u>Deductions</u> <u>and</u> <u>Retirements</u>	<u>Balance</u> <u>September 30,</u> <u>2004</u>
Land.....	\$ 30,985	\$ 15,000		\$ 45,985
Construction in Progress .....	185,450	1,297,470	\$1,226,189	256,731
Buildings .....	249,669	1,213,270		1,462,939
Leasehold Improvements .....	13,309			13,309
Office Furnishings and Equipment .....	555,403	89,773	69,580	575,596
Vehicles .....	<u>588,525</u>			<u>588,525</u>
	1,623,341	2,615,513	1,295,769	2,943,085
Less: Accumulated Depreciation.....	<u>980,795</u>	<u>104,537</u>	<u>67,504</u>	<u>1,017,828</u>
Net .....	<u>\$ 642,546</u>	<u>\$ 2,510,976</u>	<u>\$1,228,265</u>	<u>\$ 1,925,257</u>

Note 5 - **Operating Leases** - The Organization leases administrative and program office space, vehicles, and various office equipment under operating leases expiring in 2003 through 2008.

Minimum future rental payments under existing leases for the next five years are as follows:

Year Ending	Amount
2005 .....	\$ 63,606
2006 .....	30,476
2007 .....	19,836
2008 .....	4,959
2009 .....	- 0 -

All other rental expenses come from month-to-month lease agreements.

Note 6 - **403(B) Retirement Plan** - The Organization subscribes to a tax deferred annuity retirement plan covering substantially all employees who normally work more than 20 hours per week. The plan is administered by The Equitable Life Assurance Society of the United States. Employees are allowed to contribute a percentage of their wages and the Organization matches a portion of each employee's contribution. During the year ended September 30, 2004, the Organization contributed \$17,248.

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

Note 7 - **IPERS** – Starting in February 1999, employees were offered the option of switching from the 403(b) Plan to IPERS. The Organization will pay the employer share of 5.75% on either IPERS or the 403(b), but not both.

Iowa Public Employees Retirement System (IPERS) 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, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the Organization is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2004 was \$163,090, equal to the required contribution for this year.

Note 8 – **Note Payable** – The Organization obtained a note payable from Shelby County State Bank on June 12, 2001 for \$125,000 to purchase a building to house Head Start in Council Bluffs. This note was refinanced in January 2003 with an interest rate of 6.95% and the maturity extended to 2018. At this time, an advance of \$21,000 was received to pay additional costs on the Council Bluffs project. The note matures January 14, 2018. The monthly payments are \$1,245. At September 30, 2004, the balance was \$129,336. The note will be paid by rental payments from the Head Start program.

The following is a schedule of future principal payments for the long term debt:

<u>Year Ending June 30,</u>	<u>Amount</u>
2005	\$ 5,827
2006	6,566
2007	7,037
2008	7,541
2009	8,083
2010 to 2014	49,993
2015 to 2018	<u>44,289</u>
Total	\$ <u>129,336</u>

Note 9 – **Note Payable** – The Organization entered into a loan agreement with Bank Iowa, Clarinda, Iowa for \$400,000 at an interest rate of 6.7% to be used for the construction project in Clarinda, Iowa. The terms of the loan agreement require a payment of \$150,000 on January 22, 2005 with the balance amortized over 15 years with a monthly payment of \$2,218. At September 30, 2004 the Organization had been advanced \$89,931. The bank has extended the first payment for ninety days.

WEST CENTRAL DEVELOPMENT CORPORATION  
Notes to Financial Statements  
September 30, 2004

**Note 10 – Loan Resolution Security Agreement** - On September 25, 2003, the Organization entered into a Loan Resolution Security Agreement with the United States Department of Agriculture Rural Development for \$525,000, with an interest rate of 4.25%. This loan is for use as the Organization needs on the construction project in Harlan, Iowa. At September 30, 2004, the Organization had been advanced \$508,527. Interest was paid on the loan on September 22, 2004, and the first loan payment is due October 25, 2004.

On September 25, 2003, the Organization entered into a Loan Resolution Security Agreement with the United States Department of Agriculture Rural Development for \$85,000, with an interest rate of 4.25%. This loan is for use as the Organization needs on the construction project in Harlan, Iowa. At September 30, 2004, they had not been advanced any loan funds. There had been advances subsequent to September 30, 2004.

**Note 11 – Capitalized Interest Cost** – The Organization capitalizes interest cost incurred on funds used on construction projects. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. Interest cost capitalized was \$14,037 for the year ended September 30, 2004.

**Note 12 – Construction Commitment - Harlan** - The Organization is constructing the Shelby County Early Childhood Development Center in Harlan, Iowa. The Organization has obtained a Community Development Block Grant in the amount of \$600,000 for the construction of the facility. A contract for the construction was awarded to Lueder Construction in the amount of \$966,600. The construction was substantially completed as of September 30, 2004.

**Note 13 – Construction Commitment - Clarinda** – The Organization is constructing a Day Care Center in Clarinda, Iowa. The Organization has obtained a Community Development Block Grant in the amount of \$357,228 for the construction of the facility. A contract for the construction was awarded to Cornerstone Commercial Contracting in the amount of \$662,000. Construction commenced during the fiscal year ending September 30, 2004.

WEST CENTRAL DEVELOPMENT CORPORATION

SUPPLEMENTAL INFORMATION

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Financial Position  
September 30, 2004

<u>Assets</u>	Designated Funds		
	Total	CSBG	LIHEAP
<b>Current Assets</b>			
Cash	\$ 651,357	\$ (49,660)	\$ (3,250)
Short-Term Investments	346,366		
Receivables			
Grant Awards and Contracts	856,335	49,660	36,553
Other	32,751		
Prepaid Expenses	13,376		
<b>Total Current Assets</b>	<b>1,900,185</b>	<b>-</b>	<b>33,303</b>
<b>Property and Equipment</b>			
Land	45,985		
Construction in Progress	256,731		
Building and Leasehold Improvements	1,476,248		
Vehicles and Equipment	1,164,121	75,486	123,590
	2,943,085	75,486	123,590
Accumulated Depreciation	1,017,828	73,854	112,928
<b>Net Property and Equipment</b>	<b>1,925,257</b>	<b>1,632</b>	<b>10,662</b>
<b>Total Assets</b>	<b>3,825,442</b>	<b>1,632</b>	<b>43,965</b>
<u>Liabilities, Deferred Revenue and Net Assets</u>			
<b>Liabilities and Deferred Revenue</b>			
Accounts Payable	498,522		33,303
Accrued Wages	196,280		
Payroll Taxes and Benefits Payable	128,673		
Accrued Vacation	216,766		
Owed to Funding Sources	39,730		
Note Payable Shelby County State Bank	129,336		
Note Payable Bank Iowa	89,931		
Note Payable USDA	508,527		
Deferred Revenue	204,442		
<b>Total Liabilities and Deferred Revenue</b>	<b>2,012,207</b>	<b>-</b>	<b>33,303</b>
<b>Net Assets</b>			
Invested in Property and Equipment	1,197,463	1,632	10,662
Unrestricted			
Designated for Programs	56,517		
Undesignated	559,255		
<b>Total Net Assets</b>	<b>1,813,235</b>	<b>1,632</b>	<b>10,662</b>
<b>Total Liabilities, Deferred Revenue and Net Assets</b>	<b>\$ 3,825,442</b>	<b>\$ 1,632</b>	<b>\$ 43,965</b>

Designated Funds

Head Start	Head Start Wrap-Around Child Care Grant	Head Start Parent	Weatherization Assistance	Utility Weatherization Assistance	WIC
\$ (212,574)	\$ 185,076	\$ 1,977	\$ (49,039)	\$ (74,753)	\$ 5,478
238,941 37			49,189	\$ 74,753	36,973
<u>26,404</u>	<u>185,076</u>	<u>1,977</u>	<u>150</u>	<u>-</u>	<u>42,451</u>
651,046			104,805		28,134
651,046	-	-	104,805	-	28,134
551,779			59,563		26,207
99,267	-	-	45,242	-	1,927
<u>125,671</u>	<u>185,076</u>	<u>1,977</u>	<u>45,392</u>	<u>-</u>	<u>44,378</u>
26,404		65	150		2,721
					39,730
<u>26,404</u>	<u>185,076</u>	<u>65</u>	<u>150</u>	<u>-</u>	<u>42,451</u>
99,267			45,242		1,927
		1,912			
<u>99,267</u>	<u>-</u>	<u>1,912</u>	<u>45,242</u>	<u>-</u>	<u>1,927</u>
<u>\$ 125,671</u>	<u>\$ 185,076</u>	<u>\$ 1,977</u>	<u>\$ 45,392</u>	<u>-</u>	<u>\$ 44,378</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Financial Position (Continued)  
September 30, 2004

	Designated Funds			
	CACFP (Homes)	CACFP (Centers)	Child Care Resource and Referral	Family Development
<u>Assets</u>				
Current Assets				
Cash	\$ (8,340)	\$ (2,815)	\$ 1,043	\$ (7,499)
Short-Term Investments				
Receivables				
Grant Awards and Contracts	53,619	27,938	41,982	9,314
Other				
Prepaid Expenses				
Total Current Assets	<u>45,279</u>	<u>25,123</u>	<u>43,025</u>	<u>1,815</u>
Property and Equipment				
Land				
Construction in Progress				
Building and Leasehold Improvements				
Vehicles and Equipment			76,825	18,964
	-	-	76,825	18,964
Accumulated Depreciation			40,592	14,727
Net Property and Equipment	-	-	<u>36,233</u>	<u>4,237</u>
<b>Total Assets</b>	<u><u>45,279</u></u>	<u><u>25,123</u></u>	<u><u>79,258</u></u>	<u><u>6,052</u></u>
<u>Liabilities, Deferred Revenue and Net Assets</u>				
Liabilities and Deferred Revenue				
Accounts Payable	45,279	25,123	43,025	1,815
Accrued Wages				
Payroll Taxes and Benefits Payable				
Accrued Vacation				
Owed to Funding Sources				
Note Payable Shelby County State Bank				
Note Payable Bank Iowa				
Note Payable USDA				
Deferred Revenue				
Total Liabilities and Deferred Revenue	<u>45,279</u>	<u>25,123</u>	<u>43,025</u>	<u>1,815</u>
Net Assets				
Invested in Property and Equipment			36,233	4,237
Unrestricted				
Designated for Programs				
Undesignated				
Total Net Assets	-	-	<u>36,233</u>	<u>4,237</u>
<b>Total Liabilities, Deferred Revenue and Net Assets</b>	<u><u>\$ 45,279</u></u>	<u><u>\$ 25,123</u></u>	<u><u>\$ 79,258</u></u>	<u><u>\$ 6,052</u></u>

Designated Funds

Senior Service America, Inc.	Project Helper	Embrace Iowa	Project Share	I CARE	Outreach Food Assistance Program
\$ 11,742	\$ 403		\$ 9,423	\$ 1,054	\$ 3
23,641				1,258	
<u>35,383</u>	<u>403</u>	<u>-</u>	<u>9,423</u>	<u>2,312</u>	<u>3</u>
5,255					
<u>5,255</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,793					
<u>2,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>37,845</u>	<u>403</u>	<u>-</u>	<u>9,423</u>	<u>2,312</u>	<u>3</u>
35,383				9	3
<u>35,383</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>3</u>
2,462					
	403		9,423	2,303	
<u>2,462</u>	<u>403</u>	<u>-</u>	<u>9,423</u>	<u>2,303</u>	<u>-</u>
<u>\$ 37,845</u>	<u>\$ 403</u>	<u>-</u>	<u>\$ 9,423</u>	<u>\$ 2,312</u>	<u>\$ 3</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Financial Position (Continued)  
September 30, 2004

	Designated Funds			
	H/M/S Empowerment	Pottawattamie Empowerment	C/M/M Empowerment	Corner Counties Empowerment
<u>Assets</u>				
Current Assets				
Cash	\$ (2,454)	\$ 21,366	\$ (11,601)	\$ (6,692)
Short-Term Investments				
Receivables				
Grant Awards and Contracts	2,650		13,716	6,834
Other				
Prepaid Expenses				
Total Current Assets	<u>196</u>	<u>21,366</u>	<u>2,115</u>	<u>142</u>
Property and Equipment				
Land				
Construction in Progress				
Building and Leasehold Improvements				
Vehicles and Equipment		8,021		
	-	8,021	-	-
Accumulated Depreciation		3,516		
Net Property and Equipment	-	<u>4,505</u>	-	-
Total Assets	<u>196</u>	<u>25,871</u>	<u>2,115</u>	<u>142</u>
<u>Liabilities, Deferred Revenue and Net Assets</u>				
Liabilities and Deferred Revenue				
Accounts Payable	196	4,631	2,115	142
Accrued Wages				
Payroll Taxes and Benefits Payable				
Accrued Vacation				
Owed to Funding Sources				
Note Payable Shelby County State Bank				
Note Payable Bank Iowa				
Note Payable USDA				
Deferred Revenue		16,735		
Total Liabilities and Deferred Revenue	<u>196</u>	<u>21,366</u>	<u>2,115</u>	<u>142</u>
Net Assets				
Invested in Property and Equipment		4,505		
Unrestricted				
Designated for Programs				
Undesignated				
Total Net Assets	<u>-</u>	<u>4,505</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Revenue and Net Assets	<u>\$ 196</u>	<u>\$ 25,871</u>	<u>\$ 2,115</u>	<u>\$ 142</u>

Designated Funds

Fremont/Page Corner Counties Program Manager	Shelby County Early Childhood Development Center	Page County CDBG	Shelby County CDBG	Emergency Food and Shelter Program
	\$ 3,717	\$ (112,558)	\$ (23,091)	\$ 2,866
	2,396	119,746	69,568	
-	6,113	7,188	46,477	2,866
			15,000	
		256,731	1,187,640	
-	-	256,731	38,549	-
-	-	256,731	1,241,189	-
-	-	256,731	2,785	-
-	6,113	263,919	1,238,404	-
-	6,113	263,919	1,284,881	2,866
	226	7,188	94,334	235
		89,931	508,527	
-	226	97,119	602,861	2,631
-	226	97,119	602,861	2,866
		166,800	729,877	
	5,887			
-	5,887	166,800	(47,857)	-
-	5,887	166,800	682,020	-
-	\$ 6,113	\$ 263,919	\$ 1,284,881	\$ 2,866

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Financial Position (Continued)  
September 30, 2004

	Designated Funds			Undesignated
	Direct Cost Allocation Pools	Indirect Cost Allocation Pools	Property and Equipment	
<u>Assets</u>				
Current Assets				
Cash	\$ (53,263)	\$ 10,179		\$ 1,014,619
Short-Term Investments		49,219		297,147
Receivables				
Grant Awards and Contracts				
Other	32	18		30,268
Prepaid Expenses				13,376
Total Current Assets	<u>(53,231)</u>	<u>59,416</u>	<u>-</u>	<u>1,355,410</u>
Property and Equipment				
Land			\$ 30,985	
Construction in Progress				
Building and Leasehold Improvements			288,608	
Vehicles and Equipment			33,446	
			<u>353,039</u>	
Accumulated Depreciation			<u>129,084</u>	
Net Property and Equipment			<u>223,955</u>	
Total Assets	<u>(53,231)</u>	<u>59,416</u>	<u>223,955</u>	<u>1,355,410</u>
<u>Liabilities, Deferred Revenue and Net Assets</u>				
Liabilities and Deferred Revenue				
Accounts Payable	7,590	22,827		145,758
Accrued Wages				196,280
Payroll Taxes and Benefits Payable				128,673
Accrued Vacation				216,766
Owed to Funding Sources				
Note Payable Shelby County State Bank			129,336	
Note Payable Bank Iowa				
Note Payable USDA				
Deferred Revenue				
Total Liabilities and Deferred Revenue	<u>7,590</u>	<u>22,827</u>	<u>129,336</u>	<u>687,477</u>
Net Assets				
Invested in Property and Equipment			94,619	
Unrestricted				
Designated for Programs		36,589		
Undesignated	(60,821)			667,933
Total Net Assets	<u>(60,821)</u>	<u>36,589</u>	<u>94,619</u>	<u>667,933</u>
Total Liabilities, Deferred Revenue and Net Assets	<u>\$ (53,231)</u>	<u>\$ 59,416</u>	<u>\$ 223,955</u>	<u>\$ 1,355,410</u>

WEST CENTRAL DEVELOPMENT CORPORATION

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Activities  
For the Year Ended September 30, 2004

	Total	Elimination of Internal Agency Amounts	Designated Funds	
			CSBG 03-17CP	CSBG 04-17CP
<b>Support and Revenue</b>				
Federal Grants and Contract Revenue	\$ 10,176,384		\$ 139,564	\$ 342,068
State and Local Grants and Contract Revenue	824,561			
Co-Funding Transfers	-		\$ (139,564)	\$ (342,068)
County Support	40,205			
Program Income and Donations	22,614			
Interest Income	8,158			
Other Revenue	769,863			
In Kind Contributions	42,036			
Internal Cost Allocations	-	\$ (872,075)		
<b>Total Support and Revenue</b>	<b>11,883,821</b>	<b>(872,075)</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>				
Personnel	3,898,653	(142,533)		
Fringe Benefits and Payroll Taxes	1,203,394	(38,623)		
Contract Labor	617,473	(52,036)		
Supplies	194,228	(9,310)		
Rent	335,738	(47,653)		
Equipment and Buildings	1,392,076	(25,501)		
Travel	122,615	(4,725)		
Telephone	81,627	(6,933)		
Utilities	59,489	(10,909)		
Assistance to Individuals	3,487,240			
Other Direct Expenses	602,949	(18,853)		
In Kind Professional Services	42,036			
Depreciation	104,537			
Indirect	-	(514,999)		
<b>Total Expenses</b>	<b>12,142,055</b>	<b>\$ (872,075)</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions</b>	<b>(258,234)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Activity</b>				
Capital Additions - Purchase of Capital Equipment and Buildings	1,389,324			
Real Estate Mortgages	(597,913)			
Capital Disposals and Abandonments	(2,076)			
<b>Net Capital Activity</b>	<b>789,335</b>			<b>-</b>
<b>Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue</b>	<b>531,101</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers</b>				
Capital Activity Transferred to Property and Equipment Fund and Retirements	-			
Undesignated to Local Property and Equipment Purchase of Building Improvements	-			
Principal and Interest Payments on Note	-			
Interfund Transfers	-			
<b>Net Assets - Beginning of Year</b>	<b>1,282,134</b>			
<b>Net Assets - End of Year</b>	<b>\$ 1,813,235</b>	<b>-</b>	<b>-</b>	<b>-</b>

Designated Funds

LIHEAP 04-17P	Head Start		Head Start Wrap Around Child Care Grant		Head Start Parent	
	07CH-6020 37	07CH-6020 38	03-04	04-05	03-04	04-05
\$ 2,501,435	\$ 1,212,569	\$ 2,068,755	\$ 92,636	\$ 6,924		
	7,778				\$ 1,727	\$ 3,777
	20,677	4,495				
	11,555	18,283				
<u>2,501,435</u>	<u>1,252,579</u>	<u>2,091,533</u>	<u>92,636</u>	<u>6,924</u>	<u>1,727</u>	<u>3,777</u>
131,365	718,590	1,105,972	58,019	4,821		
42,142	205,249	443,252	21,426	1,369		
	3,010	4,348				
12,309	35,939	27,269	1,917	59		
31,979	43,656	83,902	2,175			
1,811	3,803	43,194				
2,858	6,964	13,791				
2,719	10,152	22,334				
	13,602	24,199				
2,255,840	2,572	2,956				
4,823	96,789	133,168	440		4,142	1,865
	11,555	18,283				
18,912	100,698	168,865	8,659	675		
<u>2,504,758</u>	<u>\$ 1,252,579</u>	<u>\$ 2,091,533</u>	<u>\$ 92,636</u>	<u>\$ 6,924</u>	<u>4,142</u>	<u>1,865</u>
(3,323)	-	-	-	-	(2,415)	1,912
1,763		6,578				
		(1,379)				
<u>1,763</u>	<u>-</u>	<u>5,199</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(1,560)	-	5,199	-	-	(2,415)	1,912
(1,763)		\$ (5,199)				
\$ 3,323						
					\$ 2,415	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,912</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Activities (Continued)  
For the Year Ended September 30, 2004

	Designated Funds			
	Weatherization Assistance Programs			
	DOE-03-17P	DOE-04-17P	HEAP-03-17P	HEAP-04-17P
Support and Revenue				
Federal Grants and Contract Revenue	\$ 4,965	\$ 254,049	\$ 298,546	\$ 29,259
State and Local Grants and Contract Revenue				
Co-Funding Transfers				
County Support				
Program Income and Donations				
Interest Income				
Other Revenue				
In Kind Contributions				
Internal Cost Allocations				
Total Support and Revenue	<u>4,965</u>	<u>254,049</u>	<u>298,546</u>	<u>29,259</u>
Expenses				
Personnel			86	70
Fringe Benefits and Payroll Taxes			23	15
Contract Labor	4,965	254,049	296,945	26,094
Supplies				
Rent				
Equipment and Buildings			260	
Travel				
Telephone				
Utilities				
Assistance to Individuals				
Other Direct Expenses			1,220	3,071
In Kind Professional Services				
Depreciation				
Indirect			12	9
Total Expenses	<u>\$ 4,965</u>	<u>\$ 254,049</u>	<u>\$ 298,546</u>	<u>\$ 29,259</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions		-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings				
Real Estate Mortgages				
Capital Disposals and Abandonments				
Net Capital Activity	-	-	-	-
Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue	-	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund and Retirements				
Undesignated to Local Property and Equipment Purchase of Building Improvements				
Principal and Interest Payments on Note				
Interfund Transfers				
Net Assets - Beginning of Year				
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

Utility Weatherization Assistance Programs					WIC	CACFP (Homes)
IPL-03-17P	IPL-04-17P	MEC-04-17P	PNG-03-17P	AQU-04-17P	5884A048	83-8011
\$ 3,232	\$ 67,349	\$ 88,728	\$ 13,564	\$ 56,378	\$ 394,034	\$ 684,939
					55,408	22,843
					2,355	
					5,196	
<u>3,232</u>	<u>67,349</u>	<u>88,728</u>	<u>13,564</u>	<u>56,378</u>	<u>456,993</u>	<u>707,782</u>
					256,846	86,291
					80,924	23,041
					11,742	
					10,310	6,439
					26,277	5,872
					22	75
					9,781	4,975
					3,212	989
						41
3,232	67,349	88,728	13,564	56,378	21,062	567,898
						244
<u>\$ 3,232</u>	<u>\$ 67,349</u>	<u>\$ 88,728</u>	<u>\$ 13,564</u>	<u>\$ 56,378</u>	<u>\$ 456,993</u>	<u>\$ 707,782</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
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WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Activities (Continued)  
For the Year Ended September 30, 2004

	Designated Funds			
	CACFP (Centers)	Child Care Resource and Referral		Family Development
	83-8010	ACFS-02-042	ACFS-02-042	FADSS 04-17FP
<b>Support and Revenue</b>				
Federal Grants and Contract Revenue	\$ 224,710	\$ 211,867	\$ 59,451	\$ 135,057
State and Local Grants and Contract Revenue		317,802	89,176	119,767
Co-Funding Transfers				11,187
County Support				
Program Income and Donations		100		
Interest Income				
Other Revenue	24,319	8,405	1,650	33,881
In Kind Contributions				12,198
Internal Cost Allocations				
<b>Total Support and Revenue</b>	<u>249,029</u>	<u>538,174</u>	<u>150,277</u>	<u>312,090</u>
<b>Expenses</b>				
Personnel	16,321	240,300	74,501	150,638
Fringe Benefits and Payroll Taxes	7,497	64,346	21,593	51,643
Contract Labor				
Supplies		59,662	5,120	907
Rent		12,498	3,741	14,219
Equipment and Buildings		28,157	2,873	144
Travel		25,112	7,103	13,226
Telephone		8,768	3,349	4,006
Utilities		1,651	602	
Assistance to Individuals	222,603			21,683
Other Direct Expenses	12	137,628	23,973	21,377
In Kind Professional Services				12,198
Depreciation				
Indirect	2,596	22,137	7,422	22,049
<b>Total Expenses</b>	<u>\$ 249,029</u>	<u>600,259</u>	<u>\$ 150,277</u>	<u>\$ 312,090</u>
<b>Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions</b>	-	(62,085)	-	-
<b>Capital Activity</b>				
Capital Additions - Purchase of Capital Equipment and Buildings		27,029		
Real Estate Mortgages				
Capital Disposals and Abandonments				
<b>Net Capital Activity</b>	-	<u>27,029</u>	-	-
<b>Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue</b>	-	(35,056)	-	-
<b>Transfers</b>				
Capital Activity Transferred to Property and Equipment Fund and Retirements		(27,029)		
Undesignated to Local Property and Equipment Purchase of Building Improvements				
Principal and Interest Payments on Note				
Interfund Transfers				
<b>Net Assets - Beginning of Year</b>		<u>\$ 62,085</u>		
<b>Net Assets - End of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

Family Development FADSS 05-17FP	Senior Service America, Inc.		Project Helper 03-04	Embrace Iowa 03-04	Project Share 03-04	I Care 03-04
	SAP 03-04	SAP 04-05				
\$ 43,009	\$ 356,695	\$ 100,197				
38,141			\$ 4,429	\$ 7,604		\$ 15,391
5,223	29,147	18,287				
					\$ 1,959	
	50	3,078				769
<u>86,373</u>	<u>385,892</u>	<u>121,562</u>	<u>4,429</u>	<u>7,604</u>	<u>1,959</u>	<u>16,160</u>
48,989	302,669	91,948				285
17,785	37,217	10,734				63
431	251	125				253
4,726	1,371	437				
48		3,078				
3,603	4,180	2,007				10
1,555	588	289			1,524	
			6,184	7,604		15,357
1,958	2,568	1,752				
7,278	37,048	11,192				38
<u>86,373</u>	<u>\$ 385,892</u>	<u>121,562</u>	<u>6,184</u>	<u>\$ 7,604</u>	<u>1,524</u>	<u>16,006</u>
-	-	-	(1,755)	-	435	154
		3,078				
(405)						
<u>(405)</u>	<u>-</u>	<u>3,078</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(405)	-	3,078	(1,755)	-	435	154
\$ 405		\$ (3,078)				
					(478)	(2,845)
			2,158		9,466	4,994
			<u>\$ 403</u>	<u>-</u>	<u>\$ 9,423</u>	<u>\$ 2,303</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Activities (Continued)  
For the Year Ended September 30, 2004

	Designated Funds				
	Outreach Food Assistance Program	H/M/S Empowerment		Pottawattamie Empowerment	
		03-04	04-05	03-04	04-05
<b>Support and Revenue</b>					
Federal Grants and Contract Revenue		\$ 20,807	\$ 3,274	\$ 142,565	\$ 41,199
State and Local Grants and Contract Revenue	\$ 3,000				
Co-Funding Transfers	20,260				
County Support					
Program Income and Donations					
Interest Income					
Other Revenue					
In Kind Contributions					
Internal Cost Allocations					
<b>Total Support and Revenue</b>	<u>23,260</u>	<u>20,807</u>	<u>3,274</u>	<u>142,565</u>	<u>41,199</u>
<b>Expenses</b>					
Personnel	11,607	6,623	2,139	49,297	16,655
Fringe Benefits and Payroll Taxes	4,600	1,744	481	15,633	5,734
Contract Labor					
Supplies	1,885			1,068	701
Rent	3,244		63	7,123	2,261
Equipment and Buildings			5	5,766	
Travel	157		191	3,688	2,045
Telephone			27	879	481
Utilities			19		
Assistance to Individuals				49,158	10,291
Other Direct Expenses		11,528	63	2,875	591
In Kind Professional Services					
Depreciation					
Indirect	1,767	912	286	7,078	2,440
<b>Total Expenses</b>	<u>\$ 23,260</u>	<u>\$ 20,807</u>	<u>\$ 3,274</u>	<u>142,565</u>	<u>\$ 41,199</u>
<b>Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions</b>	-			-	-
<b>Capital Activity</b>					
Capital Additions - Purchase of Capital Equipment and Buildings				5,322	
Real Estate Mortgages					
Capital Disposals and Abandonments				(292)	
<b>Net Capital Activity</b>	-	-	-	<u>5,030</u>	-
<b>Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue</b>	-	-	-	5,030	-
<b>Transfers</b>					
Capital Activity Transferred to Property and Equipment Fund and Retirements				\$ (5,030)	
Undesignated to Local Property and Equipment Purchase of Building Improvements					
Principal and Interest Payments on Note					
Interfund Transfers					
<b>Net Assets - Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets - End of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

C/M/M Empowerment		Corner Counties Empowerment		Fremont/Page Corner Counties Program Manager	Shelby County Early Childhood Center
03-04	04-05	03-04	04-05	03-04	
\$ 74,918	\$ 13,716	\$ 23,705	\$ 4,193	\$ 3,296	
					\$ 11,408
<u>74,918</u>	<u>13,716</u>	<u>23,705</u>	<u>4,193</u>	<u>3,296</u>	<u>11,408</u>
18,062	6,306	5,167	1,825	1,811	393
3,909	1,398	966	317	727	103
189	396	666	75	43	
1,304	405	468	162		
					433
3,018	1,325	461	252	438	
640	276	676	206		
					1,348
42,579	2,249	14,402	1,047		
2,822	521	231	75		3,190
2,395	840	668	234	277	54
<u>\$ 74,918</u>	<u>\$ 13,716</u>	<u>\$ 23,705</u>	<u>\$ 4,193</u>	<u>\$ 3,296</u>	<u>5,521</u>
-	-	-	-	-	5,887
-	-	-	-	-	-
-	-	-	-	-	5,887
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 5,887</u>

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Combining Statement of Activities (Continued)  
For the Year Ended September 30, 2004

	Designated Funds			
	Page County CDBG	Shelby County CDBG	Emergency Food and Shelter Program	
	OO-CF-030	02-CF-013	02-03	03-04
<b>Support and Revenue</b>				
Federal Grants and Contract Revenue	\$ 161,559	\$ 490,141	\$ 2,908	\$ 33,374
State and Local Grants and Contract Revenue				
Co-Funding Transfers			1,998	
County Support				
Program Income and Donations		15,000		
Interest Income			8	
Other Revenue	89,931	507,982		
In Kind Contributions				
Internal Cost Allocations				
Total Support and Revenue	<u>251,490</u>	<u>1,013,123</u>	<u>4,914</u>	<u>33,374</u>
<b>Expenses</b>				
Personnel			200	1,339
Fringe Benefits and Payroll Taxes			49	406
Contract Labor				
Supplies				
Rent				
Equipment and Buildings	251,490	1,060,980		
Travel				
Telephone			1	34
Utilities				
Assistance to Individuals			4,629	30,937
Other Direct Expenses			8	468
In Kind Professional Services				
Depreciation				
Indirect			27	190
Total Expenses	<u>251,490</u>	<u>1,060,980</u>	<u>\$ 4,914</u>	<u>\$ 33,374</u>
<b>Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions</b>	-	(47,857)	-	-
<b>Capital Activity</b>				
Capital Additions - Purchase of Capital Equipment and Buildings	251,490	1,060,980		
Real Estate Mortgages	(89,931)	(507,982)		
Capital Disposals and Abandonments				
Net Capital Activity	<u>161,559</u>	<u>552,998</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue</b>	161,559	505,141	-	-
<b>Transfers</b>				
Capital Activity Transferred to Property and Equipment Fund and Retirements	\$ (161,559)	(552,998)		
Undesignated to Local Property and Equipment Purchase of Building Improvements				
Principal and Interest Payments on Note				
Interfund Transfers				
<b>Net Assets - Beginning of Year</b>		-		
<b>Net Assets - End of Year</b>	<u>-</u>	<u>\$ (47,857)</u>	<u>-</u>	<u>-</u>

Designated Funds				
Direct Cost Allocation Pools	Indirect Cost Allocation Pools	Property and Equipment		Undesignated
		Fiduciary Type	Local	
\$ 309,501				\$ 37,850
	\$ 1,449			51
				6,701
				58,022
<u>357,076</u>	<u>514,999</u>	<u>-</u>	<u>-</u>	<u>102,624</u>
<u>666,577</u>	<u>516,448</u>	<u>-</u>	<u>-</u>	<u>102,624</u>
297,131	334,920			
80,970	96,661			
68,356				
12,500	25,024			
115,362	22,146			
15,438				
12,616	9,549			
22,783	4,586			
27,412				
59,191	57,428		\$ 9,227	17,492
		\$ 87,749	16,788	
41,507				
<u>753,266</u>	<u>550,314</u>	<u>87,749</u>	<u>26,015</u>	<u>17,492</u>
(86,689)	(33,866)	(87,749)	(26,015)	85,132
1,763			31,321	
<u>1,763</u>	<u>-</u>	<u>-</u>	<u>31,321</u>	<u>-</u>
(84,926)	(33,866)	(87,749)	5,306	85,132
(1,763)		758,014		
			14,943	(14,943)
25,868	70,455	432,580	74,369	597,744
<u>\$ (60,821)</u>	<u>\$ 36,589</u>	<u>\$ 1,102,845</u>	<u>\$ 94,618</u>	<u>\$ 667,933</u>

West Central Development Corporation  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2004

Federal Grantor / Pass-Through Grantor / Program Title	CFDA #	Grant Period	Federal Expenses
<b>Direct Federal Awards</b>			
U.S. Department of Health and Human Services			
Direct Program			
Head Start	93.600	2/1/03 - 1/31/04	\$ 1,212,569
Head Start	93.600	2/1/04 - 1/31/05	2,068,755
<b>Indirect Federal Awards</b>			
Passed Through Iowa Department of Human Services			
Head Start Wrap Around Grant in Denison	93.600	9/1/03 - 8/31/04	92,636
Head Start Wrap Around Grant in Onawa	93.600	9/1/03 - 8/31/04	6,924
Passed Through Iowa Department of Human Rights			
Community Service Block Grant	93.569	10/1/02 - 3/31/04	139,564
Community Service Block Grant	93.569	10/1/03 - 3/31/05	342,068
Low Income Home Energy Assistance Program	93.568	10/1/03 - 9/30/04	2,501,435
Low Income Home Energy Assistance Program	93.568	4/1/03 - 4/30/04	298,546
Low Income Home Energy Assistance Program	93.568	4/1/04 - 4/30/05	29,259
U.S. Department of Agriculture			
Passed Through Iowa Department of Public Health			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	10/1/03 - 9/30/04	393,076
Farmers Market	10.557	10/01/03 - 9/30/04	958
Passed Through Iowa Department of Education			
Child/Adult Care Food Program (Homes)	10.558	10/1/03 - 9/30/04	684,939
Child/Adult Care Food Program (Centers)	10.558	10/1/03 - 9/30/04	224,710
Passed Through USDA Rural Development			
USDA Construction Loan	10.766	9/25/03 - 12/31/04	540,250
U.S. Department of Labor			
Senior Service America, Inc.			
Senior Community Service Employment Program	17.235	7/1/03 - 6/30/04	356,695
Senior Community Service Employment Program	17.235	7/1/04 - 6/30/05	100,197
U.S. Department of Energy and Energy Conservation Trust Fund			
Passed Through Iowa Department of Human Rights			
Weatherization Assistance for Low-Income Persons	81.042	4/1/03 - 3/31/04	4,965
Weatherization Assistance for Low-Income Persons	81.042	4/1/04 - 3/31/05	254,049
U.S. Department of Health and Human Services			
Passed Through Iowa Department of Human Services			
Child Care and Development Block Grant	93.575	7/1/03 - 6/30/04	211,867
Child Care and Development Block Grant	93.575	7/1/04 - 6/30/05	59,451
Passed Through Iowa Department of Human Rights			
Family Development and Self-Sufficiency Program	93.561	7/1/03 - 6/30/04	135,057
Family Development and Self-Sufficiency Program	93.561	7/1/04 - 6/30/05	43,009
Passed Through Cass/Mills/Montgomery Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/03 - 6/30/04	74,918
Temporary Assistance for Needy Families	93.575	7/1/04 - 6/30/05	13,716
Passed Through Pottawattamie Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/03 - 6/30/04	142,565
Temporary Assistance for Needy Families	93.575	7/1/04 - 6/30/05	41,199
Passed Through Harrison/Monona/Shelby Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/03 - 6/30/04	20,807
Temporary Assistance for Needy Families	93.575	7/1/04 - 6/30/05	3,274
Passed Through Corner Counties Empowerment Area			
Temporary Assistance for Needy Families	93.575	7/1/03 - 6/30/04	23,705
Temporary Assistance for Needy Families	93.575	7/1/04 - 6/30/05	4,193
Temporary Assistance for Needy Families	93.575	7/1/03 - 6/30/04	3,296
Passed Through Iowa Department of Economic Development			
Community Development Block Grant Page County	14.228	7/1/02 - 4/30/05	161,559
Community Development Block Grant Shelby County	14.228	9/1/03 - 8/31/05	490,141
Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program	83.523	10/1/02 - 12/31/03	2,908
Emergency Food and Shelter National Board Program	83.523	10/1/03 - 12/31/04	33,374
Total Expenditures of Federal Awards			<u>\$ 10,716,634</u>

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of West Central Development Corporation 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 Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic Financial Statements.

NON-GAAP SUPPLEMENTAL INFORMATION

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Rights

**Community Service Block Grant No. 03-17CP**  
Schedule of Grant/Contract Activity  
For the Period From October 1, 2002 to March 31, 2004

	<u>Budget</u>	<u>Actual</u>
Co-Funded Programs		
Child and Adult Care Food Program	\$ 16,117	\$ 10,573
Family Development and Self-Sufficiency	27,347	19,047
Emergency Food and Shelter Program	100	2,001
Head Start	54,869	7,283
Outreach	261,839	342,804
Senior Aides	68,999	113,545
HAWK-I	1,958	761
Women, Infants, and Children	62,660	8,669
Child Care Resource and Referral	9,921	-
Empowerment	873	-
	<u>504,683</u>	<u>504,683</u>
Total Expenditures	<u>\$ 504,683</u>	<u>\$ 504,683</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Rights

**Low Income Home Energy Assistance Program**  
**Contract LIHEAP-04-17-P**  
Schedule of Grant/Contract Activity  
For the Period From October 1, 2003 to September 30, 2004

Cost Category	<u>Budget</u>	<u>Actual</u>
Expenses:		
Regular Assistance	\$ 1,825,635	\$ 1,812,990
Furnace Repair	85,611	85,217
Emerg Del/Recon	23,201	23,201
Client Services	53,013	53,013
Summer Fuel Delivery	329,600	329,600
Emergency Cooling Assistance Program	6,821	6,821
Administration	<u>190,593</u>	<u>190,593</u>
Total Expenses	<u>\$ 2,514,474</u>	<u>\$ 2,501,435</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Rights

**Head Start Grant No. 07CH 6020(37)**  
Schedule of Grant/Contract Activity  
For the Period From February 1, 2003 to January 31, 2004

	Budget	Actual
<b>Revenues</b>		
Grant Revenue	\$ 3,230,710	\$ 3,230,710
Other Revenue		25,848
CSBG Support Revenue	71,192	7,778
Grantee's Contribution - In Kind	807,678	807,678
Total Revenue	4,109,580	4,072,014
<b>Expenses</b>		
<b>Grantor's Share</b>		
Personnel	1,669,692	1,642,556
Fringe Benefits	820,457	793,450
Travel - Out of Area	29,502	24,750
Pupil Transportation	135,171	127,451
Rent	126,006	129,309
Supplies	41,900	61,414
Utilities and Telephone	50,396	69,843
Other	157,352	150,039
Indirect	271,426	265,524
Total Federal	3,301,902	3,264,336
<b>Grantee's Share</b>		
<b>In Kind Donations</b>		
Professional Volunteers	48,707	30,050
Non-Professional Volunteers	583,916	517,888
Mileage	94,500	129,046
Materials	77,945	130,694
Space	2,610	
Total Grantee's Share	807,678	807,678
Total Expenses	4,109,580	4,072,014
Less In Kind	807,678	807,678
Other Revenue		25,848
CSBG Co Funding	71,192	7,778
Net Grantor's Share	\$ 3,230,710	\$ 3,230,710

**Summary by Functional Category**

	Budget	Percentage of Actual	Actual
Administration	\$ 380,685	9.07%	\$ 369,535
P.A. 20	37,456	0.44%	18,043
P.A. 22-26	2,883,761	70.65%	2,876,758
In Kind	807,678	19.83%	807,678
Total Federal Expenses	4,109,580	100.00%	4,072,014
Less In Kind	807,678		807,678
Other Revenue			25,848
CSBG Co Funding	71,192		7,778
Net Grant Expense	\$ 3,230,710		\$ 3,230,710

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Services

**Wrap Around Child Care Grant**  
**Denison Grant #04103**  
Schedule of Grant/Contract Activity  
For the Period From September 1, 2003 to August 31, 2004

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 42,514	\$ 42,514
Supplies	172	172
Transportation	440	440
Start-up Costs	240	240
Indirect	<u>4,634</u>	<u>4,634</u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

**Wrap Around Child Care Grant**  
**Onawa Grant #04104**  
Schedule of Grant/Contract Activity  
For the Period From September 1, 2003 to August 31, 2004

	<u>Budget</u>	<u>Actual</u>
Expenses		
Wages and Benefits	\$ 39,964	\$ 39,964
Supplies	188	188
Facility Costs	2,175	2,175
Start-up Costs	1,317	1,317
Indirect	<u>4,356</u>	<u>4,356</u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Rights

**Weatherization Assistance Programs  
Contract DOE-03-17P**

Schedule of Grant/Contract Activity  
For the Period From April 1, 2003 to March 31, 2004

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 27,583	\$ 27,583
Health and Safety	43,899	67,064
Support	61,459	105,436
Labor	87,798	61,588
Materials	87,798	47,383
Liability Insurance	3,610	3,610
	<u>312,147</u>	<u>312,664</u>
Total Expenses	312,147	312,664
Less Landlord Contribution		517
	<u>\$ 312,147</u>	<u>\$ 312,147</u>

**Contract HEAP-03-17P**

Schedule of Grant/Contract Activity  
For the Period From April 1, 2003 to March 31, 2004

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 19,043	\$ 19,031
Health and Safety	146,417	134,237
Support	104,652	52,105
Labor	39,420	77,983
Materials	39,420	65,503
Equipment	21,723	9,320
Support Assistance	300	211
WAMS Tech Assistance	4,700	3,300
	<u>\$ 375,675</u>	<u>\$ 361,690</u>
Total Federal Expenses	<u>\$ 375,675</u>	<u>\$ 361,690</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Rights

**Utility Weatherization Assistance Programs  
Contract IPL-03-17P**

Schedule of Grant/Contract Activity  
For the Period From January 1, 2003 to December 31, 2003

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 4,741	\$ 4,741
Support	14,222	14,030
Labor	28,445	29,425
Materials	<u>28,445</u>	<u>27,656</u>
Total Expenses	<u>\$ 75,853</u>	<u>\$ 75,852</u>

**Contract MEC-03-17P**

Schedule of Grant/Contract Activity  
For the Period From January 1, 2003 to December 31, 2003

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 2,450	\$ 2,450
Support	4,900	4,898
Labor	20,825	21,289
Materials	<u>20,825</u>	<u>20,362</u>
Total Expenses	<u>\$ 49,000</u>	<u>\$ 48,999</u>

**Contract PNG-03-17P**

Schedule of Grant/Contract Activity  
For the Period From January 1, 2003 to December 31, 2003

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 2,758	\$ 2,758
Labor	26,202	31,258
Materials	<u>26,202</u>	<u>21,146</u>
Total Expenses	<u>\$ 55,162</u>	<u>\$ 55,162</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Public Health

**Special Supplemental Food Program for Women, Infants, and Children**  
Schedule of Grant/Contract Activity  
For the Period From October 1, 2003 to September 30, 2004

	Budget	Actual
Expenses		
Grantor's Share		
Salaries/Benefits	\$ 296,199	\$ 294,055
Contracted Services	11,246	9,008
Administrative/Management	37,500	40,224
Travel and Training	15,846	17,705
Indirect	32,285	32,084
Total Grantor's Share	393,076	393,076
Local Share		
Salaries/Benefits	40,878	43,715
Contracted Services	2,500	2,734
Administrative/Management	5,504	5,927
Travel and Training	2,000	2,423
Indirect	2,771	4,733
Total Local Share	53,653	59,532
Total Expenses	\$ 446,729	\$ 452,608

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Education

**Child and Adult Care Food Programs**  
Schedule of Expenses Compared to Budget  
**Day Care Homes - Contract No. 83-8011**  
For the Period From October 1, 2003 to September 30, 2004

Cost Category	<u>Budget</u>	<u>Actual</u>
Expenses		
Personnel	\$ 106,135	\$ 109,332
Supplies	3,630	3,449
Transportation	4,830	4,975
Other	22,949	22,128
	<u>137,544</u>	<u>139,884</u>
Food Costs - Home Providers	<u>643,800</u>	<u>567,898</u>
Total Expenses	781,344	707,782
Less: CSBG Co-Funded	<u>11,844</u>	<u>22,843</u>
Net Funded by Grant	<u>\$ 769,500</u>	<u>\$ 684,939</u>

**Child Care Centers - Contract No. 83-8010**  
For the Period From October 1, 2003 to September 30, 2004

	<u>Budget</u>	<u>Actual</u>
Food Costs	\$ 208,782	\$ 214,933
Kitchen Supplies and Other Costs	7,680	7,682
Food Service Labor and Benefits	26,243	23,818
Indirect	2,860	2,596
	<u>245,565</u>	<u>249,029</u>
Total Expenses	245,565	249,029
Less: Other Funding	<u>28,160</u>	<u>24,319</u>
Net Funded by Grant	<u>\$ 217,405</u>	<u>\$ 224,710</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Services

**Child Care Resource and Referral Program**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	Budget	Actual
<b>Revenues</b>		
Grants and Contracts	\$ 531,188	\$ 507,214
Donations/Fees		542
WASC (Welcome to School Age Children)		5,945
Infant/Toddler Specialist	87,597	75,046
Business Start-Up Kits	16,343	16,343
Parent Services	63,244	62,686
Regional Home Consultant	65,578	56,153
Total Revenue	763,950	723,929
<b>Child Care Resource and Referral Expenses</b>		
Salaries and Wages	157,513	149,644
Fringe Benefits	51,523	55,277
Postage	5,190	2,200
Office Supplies/Dues/Fees	12,745	7,077
Printing/Photocopy	3,900	801
Travel - In Area	5,800	3,728
Travel - Out Of Area	13,134	9,398
Equipment Purchase/Rental/Maintenance	15,604	15,192
Space/Utilities/Maintenance	13,044	10,852
Telephone	8,983	7,260
Advertising	1,550	1,230
Subcontractors	218,763	222,218
Indirect - Agency	23,439	22,337
Total Child Care Resource and Referral Expenses	531,188	507,214
<b>Infant/Toddler Expenses</b>		
Iowa PITC Training	22,480	17,260
Salaries and Wages	23,531	22,291
Fringe Benefits	10,587	9,166
Rent/Utilities/Maintenance	1,200	646
Dues/Fees/Registrations	3,500	3,474
Printing/Photocopy	900	568
Travel - In Area	1,200	1,122
Travel - Out Of Area	3,496	3,009
Equipment Purchase/Rental/Maintenance	5,900	5,917
Postage/Office Supplies/Advertising/Other	3,250	2,681
Telephone	700	344
Education Materials	2,280	2,012
Miscellaneous Training Costs	4,533	3,127
Indirect - Agency	4,040	3,429
Total Infant/Toddler Expenses	\$ 87,597	\$ 75,046

(Continued)

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Services

(Continued)

**Child Care Resource and Referral Program**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	<u>Budget</u>	<u>Actual</u>
Regional Home Consultant		
Salaries and Wages	\$ 36,478	\$ 26,773
Fringe Benefits	17,095	12,127
Postage/Photocopy	400	540
Office Supplies	675	1,065
Dues/Fees	35	718
Travel - In Area	1,800	3,715
Travel - Out Of Area	481	2,442
Equipment Purchase/Rental/Maintenance	350	1,202
Space/Utilities/Maintenance	1,500	2,514
Telephone	750	817
Advertising	175	-
Indirect - Agency	5,839	4,240
	<hr/>	<hr/>
Total Regional Home Consultant	65,578	56,153
Business Start-Up Kits	16,343	16,343
Parent Services	63,244	62,686
	<hr/>	<hr/>
Total Expenses	<u>\$ 763,950</u>	<u>\$ 717,442</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Rights  
Division of Community Action Agencies

**Family Development and Self-Sufficiency Grant**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	Budget	Actual
Expenses		
Indirect Costs - Administrative	\$ 28,780	\$ 28,742
Personnel Wages	186,630	185,440
Benefits	77,400	78,256
Travel	18,000	18,327
Space Costs/Utilities	7,089	21,874
Third-Party Payments	100	-
Other Costs	20,035	19,748
Total Expenses	\$ 338,034	352,387
Less Other Costs - Supported By CSBG Funds		14,353
Total Federal and State Expenditures		\$ 338,034

WEST CENTRAL DEVELOPMENT CORPORATION  
U.S. Department of Labor

**Senior Service America, Inc.**  
Senior Aides (Title V) Program  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	Budget	Actual
Expenses		
Personnel		
Wages	\$ 361,855	\$ 352,782
Fringe Benefits		
FICA	27,682	26,988
Workers' Compensation	12,416	11,260
Physical Exams	80	80
Program - Other		
Sponsor Staff Cost	15,659	15,659
Transportation	3,176	3,176
Training	1,323	1,323
Incidentals	30	30
Project Administration		
Sponsor Staff Cost	34,746	34,746
Total	456,967	446,044
Expenses - PSI		
Personnel		
Wages	13,286	2,830
Fringe Benefits		
FICA	1,016	433
Workers' Compensation	200	27
Unemployment	531	65
Program - Other		
Sponsor Staff Cost	673	173
Transportation	283	52
Training	1,000	395
Project Administration		
Sponsor Staff Cost	1,344	346
Total	18,333	4,321
Total Federal Share	475,300	450,365
Local Expenses		
In Kind Component	56,806	65,229
Total Local Share	56,806	65,229
Total Expenses	\$ 532,106	\$ 515,594

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Services

**Empowerment Programs**  
**Pottawattamie Empowerment**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	Budget	Actual
Empowerment Grant		
Personnel Wages	\$ 61,775	\$ 59,356
Benefits	25,395	23,754
Supplies	4,024	3,811
Rent	8,280	10,071
Equipment Purchase/Rental/Maintenance	6,480	5,766
Travel	4,500	4,768
Telephone	1,500	1,295
Other Direct Expenses	1,200	2,077
Assistance	80,300	65,953
Indirect	9,501	9,059
Total Pottawattamie Empowerment	\$ 202,955	\$ 185,910

**Cass/Mills/Montgomery Empowerment**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	Budget	Actual
Empowerment Grant		
Personnel Wages	\$ 23,434	\$ 23,991
Benefits	5,409	5,144
Supplies	2,530	2,412
Rent	1,980	1,762
Travel	4,000	3,705
Telephone	1,500	926
Assistance	46,832	43,613
Other Direct Expenses	500	634
Indirect	3,144	3,176
Total Cass/Mills/Montgomery Empowerment	\$ 89,329	\$ 85,363

WEST CENTRAL DEVELOPMENT CORPORATION  
Iowa Department of Human Services

**Empowerment Programs**  
**Corner Counties Empowerment**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	<u>Budget</u>	<u>Actual</u>
Empowerment Grant		
Personnel Wages	\$ 7,215	\$ 6,343
Benefits	2,049	1,568
Supplies	1,360	1,057
Rent	900	634
Travel	1,140	764
Telephone	840	919
Home Care Subsidy Assistance	1,500	758
Other Direct Expenses	14,500	14,081
Indirect	110	13
	<u>1,010</u>	<u>862</u>
Total Corner Counties Empowerment	<u>\$ 30,624</u>	<u>\$ 26,999</u>

**Empowerment Grants**  
**Harrison, Monona & Shelby**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	<u>Budget</u>	<u>Actual</u>
Expenses		
Personnel Wages	\$ 8,253	\$ 8,568
Benefits	3,165	2,473
Assistance	11,837	11,528
Indirect	1,245	1,204
	<u>1,245</u>	<u>1,204</u>
Total Expenses	<u>\$ 24,500</u>	<u>\$ 23,773</u>

**Fremont/Page Corner Counties Empowerment Area Program Manager Grant**  
Schedule of Grant/Contract Activity  
For the Period From July 1, 2003 to June 30, 2004

	<u>Budget</u>	<u>Actual</u>
Expenses		
Personnel Wages	\$ 2,640	\$ 2,372
Benefits	1,676	1,092
Travel	660	620
Supplies	240	140
Indirect	471	378
	<u>471</u>	<u>378</u>
Total Expenses	<u>\$ 5,687</u>	<u>\$ 4,602</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
 U.S. Department of Housing and Urban Development

**Emergency Food And Shelter Program**  
 Schedule of Grant/Contract Activity  
 For the Period From January 1, 2003 to December 31, 2003

	<u>Budget</u>	<u>Actual</u>
Revenue		
Grant Revenue	\$ 33,854	\$ 33,854
Interest Income		8
CSBG Co-Funding		<u>1,998</u>
	<u>33,854</u>	<u>35,860</u>
Expenses		
Administrative Costs	675	2,660
Cass County	6,580	6,582
Crawford County	4,821	4,825
Fremont County	1,960	1,960
Harrison County	3,089	3,092
Mills County	2,586	2,587
Monona County	2,178	2,180
Montgomery County	3,340	3,343
Page County	6,642	6,647
Shelby County	<u>1,983</u>	<u>1,984</u>
Total Expenses	<u>\$ 33,854</u>	<u>\$ 35,860</u>

## US DEPARTMENT OF AGRICULTURE

### Certification Regarding Debarment, Suspension, Ineligibility And Voluntary Exclusion – Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

**(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)**

- 1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
  
- 2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Williams & Company, P.C.  
Organization Name

\_\_\_\_\_  
PR/Award Number or Project Name

David Radke, CPA  
Name and Title of Authorized Representative

David Radke  
Signature

2-11-05  
Date

WEST CENTRAL DEVELOPMENT CORPORATION  
Schedule of Revenue and Expenses  
Direct Cost Allocation Pools  
For the Year Ended September 30, 2004

	Total	Weatherization	Central Space Costs	Photocopy Costs	Postage Allocation	Outreach Costs
<b>Revenue</b>						
Reimbursed by Programs	\$ 357,076	\$ 215,473	\$ 45,204	\$ 8,756	\$ 1,849	\$ 85,794
Community Service Block Grant Support	309,501	508				308,993
In Kind Donations	416,545					416,545
Total Support and Revenue	<u>1,083,122</u>	<u>215,981</u>	<u>45,204</u>	<u>8,756</u>	<u>1,849</u>	<u>811,332</u>
<b>Expenses</b>						
Personnel	297,131	139,637				157,494
Fringe Benefits and Payroll Taxes	80,969	37,642				43,327
Contract Labor	68,356	68,356				
Supplies	12,501	751	5,574	1,730	533	3,913
Rent	115,362	10,992	19,836			84,534
Building Maintenance	23,970		10,533			13,437
Equipment Purchase	3,581	3,581				-
Equipment Maintenance	4,220			3,725	468	27
Equipment Lease	7,636			3,301	848	3,487
Insurance	8,932		3,284			5,648
Advertising	162					162
Subscriptions/Publications	542					542
Travel	12,616	3,431				9,185
Telephone	22,784	3,184				19,600
Utilities	27,412		5,977			21,435
Photocopy/Postage	2,859					2,859
Dues/Fees	3,300					3,300
Indirect	41,507	19,617				21,890
Other Direct Expenses	19,426	15,479				3,947
Total Expenses	<u>753,266</u>	<u>302,670</u>	<u>45,204</u>	<u>8,756</u>	<u>1,849</u>	<u>394,787</u>
<b>In Kind</b>						
Nonprofessional Volunteers	497					497
Clothing	249,125					249,125
Food	87,220					87,220
Christmas Adoption	79,703					79,703
Total In Kind	<u>416,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,545</u>
Total Expenses and In Kind	<u>1,169,811</u>	<u>302,670</u>	<u>\$ 45,204</u>	<u>\$ 8,756</u>	<u>\$ 1,849</u>	<u>\$ 811,332</u>
Excess Revenues Over Expenditures	<u>\$ (86,689)</u>	<u>\$ (86,689)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

WEST CENTRAL DEVELOPMENT CORPORATION  
Schedule of Revenue and Expenses  
Indirect Cost Allocation Pool  
For the Year Ended September 30, 2004

Revenue		
Interest Income		\$ 1,449
Indirect Cost Reimbursements from Programs		
Low Income Home Energy Assistance Program	\$ 18,912	
Head Start	269,563	
Head Start Wrap Around Child Care Grant	9,334	
Weatherization Assistance HEAP	21	
Women, Infants, and Children	36,817	
Child and Adult Care Food Program - Homes	11,917	
Child and Adult Care Food Program - Centers	2,596	
Child Care Resource and Referral	29,559	
Family Development and Self-Sufficiency	29,327	
Senior Service America, Inc.	48,240	
I Care	38	
H/M/S Empowerment	1,198	
Pottawattamie Empowerment	9,518	
C/M/M Empowerment	3,235	
Corner Counties Empowerment	902	
Fremont/Page Corner Counties Empowerment Area Program Manager	277	
Shelby County Early Childhood Center	54	
Emergency Food and Shelter	217	
Outreach Food Assistance Program	1,767	
Outreach Program	21,890	
Weatherization Assistance Cost Allocation Pool	\$ 19,617	
Total Indirect Cost Reimbursement From Programs	514,999	
Total Support and Revenue		516,448
Expenses		
Salaries and Wages		334,920
Fringe Benefits and Payroll Taxes		96,661
Supplies		12,763
Rent		22,146
Equipment Purchase/Maintenance/ Rental		2,701
Travel		9,549
Telephone		4,586
Photocopy/Postage		12,262
Subscriptions/Publications		1,023
Dues/Fees		10,698
Consultants		2,206
Computer Expenses		95
Registration Fee and Training		4,999
Audit		17,275
Insurance		7,912
Board Expenses		4,166
Miscellaneous		6,352
Total Expenses		550,314
(Deficiency) of Revenues over Expenses		(33,866)
Net Assets - Beginning of Year		70,455
Net Assets - End of Year		\$ 36,589

West Central Development Corporation  
Schedule of Revenue and Expenses  
Indirect Reimbursement from Programs  
For the Year Ended September 30, 2004

Program	Wages and Fringe Benefits	Indirect Cost
Low Income Home Energy Assistance Program	\$ 173,507	\$ 18,912
Head Start	2,473,063	269,563
Heat Start Wrap Around Child Care Grant	85,635	9,334
Weatherization Assistance HEAP	194	21
Women, Infants and Children	337,770	36,817
Child and Adult Care Food Program - Homes	109,332	11,917
Child and Adult Care Food Program - Centers	23,818	2,596
Child Care Resource and Referral	271,188	29,559
Family Development and Self-Sufficiency	269,055	29,327
Senior Service America, Inc.	442,568	48,240
I Care	348	38
H/M/S Empowerment	10,987	1,198
Pottawattamie Empowerment	87,319	9,518
C/M/M Empowerment	29,675	3,235
Corner Counties Empowerment	8,275	902
Fremont/Page Corner Counties Empowerment Area Program Manager	2,538	277
Shelby County Early Childhood Center	496	54
Emergency Food and Shelter	1,994	217
Outreach Food Assistance Program	16,207	1,767
Outreach Program	200,822	21,890
Weatherization Assistance Cost Allocation Pool	179,977	19,617
<b>Totals</b>	<b>\$ 4,724,768</b>	<b>514,999</b>
Total Wages and Benefits		4,724,768
Indirect Cost Percentage		10.9%
Total Indirect Reimbursement Charged to Programs		<b>\$ 514,999</b>

WEST CENTRAL DEVELOPMENT CORPORATION  
Schedule of Revenue, Expenses, and Changes in Net Assets  
Undesignated Fund  
For the Year Ended September 30, 2004

Support and Revenue			
County Support			
Cass	\$ 3,000		
Crawford	7,500		
Fremont	3,000		
Harrison	4,350		
Mills	4,000		
Monona	1,500		
Montgomery	2,500		
Page	6,000		
Pottawattamie	<u>6,000</u>	\$	37,850
Donations			51
Interest Income			6,701
Harlan United Way			1,164
Other			29,063
Food Pantry and Christmas Adoption Donations			<u>27,795</u>
Total Revenue			102,624
Expenses			
Other			1,791
Food Pantry and Christmas Adoption			<u>15,701</u>
Total Expenses			<u>17,492</u>
Excess of Support and Revenue Over Expenses Before Capital Additions			85,132
Transfers			
Principal and Interest Payments on Note			<u>(14,943)</u>
Excess of Support and Revenue Over Expenses and Transfers			70,189
Net Assets - Beginning of Year			<u>597,744</u>
Net Assets - End of Year			<u><u>\$ 667,933</u></u>

OMB CIRCULAR A-133 COMPLIANCE SECTION



1009 Iowa Avenue  
P.O. Box 238  
Onawa, IA 51040  
Phone (712) 423-2616  
Fax (712) 423-2626

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

To the Board of Directors  
West Central Development Corporation  
Harlan, Iowa

**Compliance:**

We have audited the compliance of West Central Development Corporation 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 September 30, 2004. West Central Development Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of West Central Development Corporation's management. Our responsibility is to express an opinion on the Organizations' compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about West Central Development Corporation'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 on the Organizations' compliance with those requirements.

In our opinion, West Central Development Corporation 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 September 30, 2004.

**Internal Control Over Compliance:**

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

This report is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than these specified parties.

*Willcove & Company P.C.*

Certified Public Accountants

Onawa, Iowa  
December 16, 2004



1009 Iowa Avenue  
P.O. Box 238  
Onawa, IA 51040  
Phone (712) 423-2616  
Fax (712) 423-2626

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

To the Board of Directors  
West Central Development Corporation  
Harlan, Iowa

We have audited the financial statements of West Central Development Corporation as of and for the year ended September 30, 2004, and have issued our report thereon dated December 16, 2004. 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.

**Compliance:**

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

**Internal Control Over Financial Reporting:**

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

This report is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of West Central Development Corporation 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.

*Williams + Company P.C.*  
Certified Public Accountants

Onawa, Iowa  
December 16, 2004

WEST CENTRAL DEVELOPMENT CORPORATION  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2004

Section I --- Summary of Auditors' Results

- (a) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (b) No reportable conditions or material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No reportable conditions or material weaknesses in internal control over financial reporting were identified.
- (e) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (f) Major programs were as follows:  
CFDA Number 93.568 – Low Income Home Energy Assistance Program (LIHEAP)  
CFDA Number 14.228 – Community Development Block Grant  
CFDA Number 10.766 – USDA Construction Loan
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) West Central Development Corporation qualified as a low-risk auditee.

Section II ---Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

WEST CENTRAL DEVELOPMENT CORPORATION  
Schedule of Prior Year Audit Findings  
For the Year Ended September 30, 2004

There were no audit findings in the prior year.