

IOWA NORTHLAND REGIONAL  
COUNCIL OF GOVERNMENTS

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

JUNE 30, 2006

- Prepared By -

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**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2006. These financial statements are the responsibility of INRCOG's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of INRCOG as of June 30, 2006, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated November 30, 2006 on my consideration of INRCOG's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

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



My audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. Other supplementary information included in Schedules 1 through 3, including the Schedule of Expenditures of Federal Awards required by U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in my audit of the aforementioned financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in cursive script that reads "Larry Pump". The signature is written in black ink and is positioned above the date.

November 30, 2006



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Northland Regional Council of Governments provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2006. I encourage readers to consider this information in conjunction with INRCOG's financial statements, which follow.

### **FINANCIAL HIGHLIGHTS**

- INRCOG's support and revenues increased 11%, or \$338,886, from fiscal 2005 to fiscal 2006. Contract revenue decreased, while Federal grants increased.
- INRCOG's operation expenses were 9%, or \$253,441 more in fiscal 2006 than in fiscal 2005, due mainly to increased transit transportation costs.
- INRCOG's net assets increased 5%, or \$156,528, from June 30, 2005 to June 30, 2006.

### **USING THIS ANNUAL REPORT**

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

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

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

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

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

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

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

*Statement of Net Assets*

As noted earlier, net assets may serve over time as a useful indicator of INRCOG's financial position. INRCOG's net assets for fiscal 2006 totaled approximately \$3,227,270. This compares to approximately \$3,070,742 for fiscal 2005. A summary of INRCOG's net assets is presented below.

Net Assets		June 30,	
		<u>2006</u>	<u>2005</u>
Current assets		\$2,243,021	\$2,443,885
Non-current assets		87,261	239,056
Capital assets at cost, less accumulated depreciation		<u>1,362,738</u>	<u>818,285</u>
Total assets		<u>\$3,693,020</u>	<u>\$3,501,226</u>
Current liabilities		\$ 465,750	\$ 430,484
Total liabilities		<u>\$ 465,750</u>	<u>\$ 430,484</u>
Net assets:			
Reserved		\$ 567,954	\$ 489,033
Unreserved		<u>2,659,316</u>	<u>2,581,709</u>
Total net assets		<u>\$3,227,270</u>	<u>\$3,070,742</u>

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

Support and revenues are received from federal grants, state grants, and other local sources. Expenditures are expenses to operate the transit systems and programs. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net assets for the years ended June 30, 2006 and 2005 are presented below:

Changes in Net Assets		June 30,	
		<u>2006</u>	<u>2005</u>
Support and Revenue			
Grants		\$ 949,559	\$ 665,553
Program reimbursements and other local sources		<u>2,337,938</u>	<u>2,283,058</u>
Total support and revenue		<u>\$3,287,497</u>	<u>\$2,948,611</u>
Expenditures		<u>\$3,133,241</u>	<u>\$2,879,800</u>
Total expenditures		<u>\$3,133,241</u>	<u>\$2,879,800</u>
Net transactions before other financing sources:		\$ 154,256	\$ 68,811
Other financing sources		<u>2,272</u>	<u>2,865</u>
Change in net assets		\$ 156,528	\$ 71,676
Net assets beginning of year		<u>3,070,742</u>	<u>2,999,066</u>
Net assets end of year		<u>\$3,227,270</u>	<u>\$3,070,742</u>

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

- Net assets for the year increased \$156,528. This increase was due to the increase in federal grant revenue.
- INRCOG's operating expenses (without depreciation) were \$3,067,985 and revenues were \$3,287,497. With depreciation, the total expenses were \$3,133,241 and revenues remained at \$3,287,497.
- State Transit Assistance and Federal Transit Operating Assistance for the year totaled \$949,559. These same funding sources for the previous fiscal year totaled \$665,553. These same funding sources are projected to decrease from fiscal year 2006 to fiscal year 2007.

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

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

#### **CAPITAL ASSETS**

At June 30, 2006, INRCOG had approximately \$1,362,738 invested in capital assets, net of accumulated depreciation of approximately \$1,492,719. Depreciation charges totaled \$65,256 for fiscal year 2006. More detailed information about INRCOG's capital assets is presented in Note 4 to the financial statements.

#### **ECONOMIC FACTORS**

The Iowa Northland Regional Council of Government's Board of Directors (with input from local elected officials and citizens) considered various factors when setting the fiscal year 2007 budget and fees that will be charged for agency activities. INRCOG general fund operations are expected to remain consistent with the previous year, but could vary according to contracts received during the year. As INRCOG looks forward, the most notable anticipated change in its operations will be presented by the acquisition in March 2005 of the office building at 229 E. Park Avenue in Waterloo, Iowa. While INRCOG offices will move into the new building in calendar year 2006, the lease agreement for INRCOG's current office space will not expire until June 2009. Thus a great deal of planning will be required to address possible sub-leasing or alternative uses for the current space, while also making the necessary renovations at the new building to accommodate INRCOG's occupancy.

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

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of INRCOG's finances and to show INRCOG's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Iowa Northland Regional Council of Governments, 229 E Park Avenue, Waterloo, IA 50703.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 380,954	\$1,108,989	\$1,489,943
Investments (at cost)	279,804	-	279,804
Accounts receivable	103,474	251,006	354,480
Notes receivable	-	118,794	118,794
Total current assets	<u>\$ 764,232</u>	<u>\$1,478,789</u>	<u>\$2,243,021</u>
Non-current assets:			
Notes receivable	\$ -	\$ 87,261	\$ 87,261
Fixed assets:			
Furniture and equipment	\$ 184,944	\$ 79,378	\$ 264,322
Vehicles - unrestricted	233,504	-	233,504
Vehicles - restricted	855,226	-	855,226
Moving costs	664	-	664
Leasehold improvements	308,370	74,597	382,967
Construction in progress	-	1,118,774	1,118,774
Total	<u>\$1,582,708</u>	<u>\$1,272,749</u>	<u>\$2,855,457</u>
Less accumulated depreciation	(1,340,366)	(152,353)	(1,492,719)
Net fixed assets	<u>\$ 242,342</u>	<u>\$1,120,396</u>	<u>\$1,362,738</u>
<b>Total assets</b>	<b><u>\$1,006,574</u></b>	<b><u>\$2,686,446</u></b>	<b><u>\$3,693,020</u></b>
<b>LIABILITIES AND NET ASSETS:</b>			
Current liabilities:			
Trade accounts payable	\$ 87,128	\$ 91,449	\$ 178,577
Accrued wages and payroll taxes payable	2,610	15,612	18,222
Accrued benefits payable	12,757	138,223	150,980
Unearned revenue	10,335	107,636	117,971
<b>Total liabilities</b>	<b><u>\$ 112,830</u></b>	<b><u>\$ 352,920</u></b>	<b><u>\$ 465,750</u></b>
Net assets:			
Reserved (Note 2)	\$ 193,539	\$ 374,415	\$ 567,954
Unreserved	700,205	1,959,111	2,659,316
<b>Total net assets</b>	<b><u>\$ 893,744</u></b>	<b><u>\$2,333,526</u></b>	<b><u>\$3,227,270</u></b>

*See Notes to Financial Statements.*

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 YEAR ENDED JUNE 30, 2006

	<u>Iowa Northland</u>		<u>Total</u>
	<u>Regional Transit Commission</u>	<u>Council of Governments</u>	
<b>REVENUE:</b>			
Federal funds	\$ 258,537	\$ 344,259	\$ 602,796
State funds	299,093	47,670	346,763
Local:			
Contract revenue	1,050,944	1,052,339	2,103,283
Membership revenue	-	89,801	89,801
Rent revenue	-	52,534	52,534
Document fee	-	3,064	3,064
Interest	20,876	50,804	71,680
Miscellaneous	2,988	14,588	17,576
Total	<u>\$1,632,438</u>	<u>\$1,655,059</u>	<u>\$3,287,497</u>
<b>EXPENSES:</b>			
Salaries and fringe benefits	\$ -	\$ 706,829	\$ 706,829
Drivers' salaries and benefits	106,512	-	106,512
Travel	-	40,085	40,085
Meals	-	9,241	9,241
Seminars	193	5,282	5,475
Telephone/internet	971	1,445	2,416
Awards	200	50	250
Contracted services	194,283	145,073	339,356
Office supplies	133	1,067	1,200
Miscellaneous	99	331	430
Postage	1,386	7,579	8,965
Copy expense	2,236	8,718	10,954
Service agreements - bldg	-	1,982	1,982
Advertising and notices	1,853	406	2,259
Subscriptions	-	97	97
Professional memberships	2,336	35	2,371
Recording fees	-	633	633
Administrative overhead	80,771	296,365	377,136
Transportation cost	984,441	-	984,441
Provision for forgivable loan	-	348,478	348,478
Administrative expense - INRHC	-	7,524	7,524
Utilities	-	23,668	23,668
Repairs	-	755	755
Property tax	-	7,041	7,041
Printing	-	2,302	2,302
Equipment purchases	-	1,063	1,063
Relocation	-	28,119	28,119
Insurance	21,281	9,352	30,633
Depreciation	65,256	-	65,256
Legal and accounting	14,333	1,574	15,907
Equipment maintenance	-	39	39
Radio service	1,824	-	1,824
Total	<u>\$1,478,108</u>	<u>\$1,655,133</u>	<u>\$3,133,241</u>

(continued)

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Net transactions before other financing sources (uses):	\$ 154,330	\$ (74)	\$ 154,256
Other financing sources (uses):			
Gain on sale of fixed assets	\$ 1,830	\$ 442	\$ 2,272
Operating transfers in	-	120,363	120,363
Operating transfers out	<u>(120,363)</u>	<u>-</u>	<u>(120,363)</u>
Total other financing sources (uses)	\$ <u>(118,533)</u>	\$ <u>120,805</u>	\$ <u>2,272</u>
Change in net assets	\$ 35,797	\$ 120,731	\$ 156,528
Net assets beginning of year	<u>857,947</u>	<u>2,212,795</u>	<u>3,070,742</u>
<b>Net assets end of year</b>	<b><u>893,744</u></b>	<b><u>2,333,526</u></b>	<b><u>3,227,270</u></b>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2006

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from membership revenue	\$ -	\$ 89,801	\$ 89,801
Cash received from contract fees	1,075,456	1,087,327	2,162,783
Cash received from miscellaneous sources	2,988	14,588	17,576
Cash received from state operating grants	299,093	47,670	346,763
Cash received from federal operating grants	256,987	317,321	574,308
Cash received from interagency transfer	-	120,363	120,363
Cash paid for interagency transfer	(120,363)	-	(120,363)
Cash paid for salaries and benefits	(105,860)	(723,861)	(829,721)
Cash paid for administration	(1,289,387)	(887,246)	(2,176,633)
Net cash provided by operating activities	<u>\$ 118,914</u>	<u>\$ 65,963</u>	<u>\$ 184,877</u>
Cash flows from capital and related financing activities:			
Net acquisition of fixed assets	\$ (183,294)	\$ (337,063)	\$ (520,357)
Net cash used by financing activities	<u>\$ (183,294)</u>	<u>\$ (337,063)</u>	<u>\$ (520,357)</u>
Cash flows from investing activities:			
Cash paid for investments	\$ (279,804)	\$ -	\$ (279,804)
Interest received	20,876	50,804	71,680
Net cash provided (used) for investing activities	<u>\$ (258,928)</u>	<u>\$ 50,804</u>	<u>\$ (208,124)</u>
Net decrease in cash	\$ (323,308)	\$ (220,296)	\$ (543,604)
Cash and cash equivalents beginning of year	<u>704,262</u>	<u>1,329,285</u>	<u>2,033,547</u>
<b>Cash and cash equivalents end of year</b>	<b><u>\$ 380,954</u></b>	<b><u>\$1,108,989</u></b>	<b><u>\$1,489,943</u></b>
<b>Reconciliation of net transactions to net cash provided by operating activities:</b>			
Net transactions	\$ 35,797	\$ 120,731	\$ 156,528
Adjustments for long-term non-cash items:			
Depreciation	65,256	2,732	67,988
Receipts and expenditures not classified as operating	(22,705)	10,736	(11,969)
Adjustments for current non-cash items:			
Changes in prepaid expenses	-	373	373
Changes in receivables	12,627	(75,936)	(63,309)
Changes in accounts payable	16,952	83,147	100,099
Changes in accrued wages payable	(1,017)	(1,072)	(2,089)
Changes in accrued benefits payable	1,669	18,104	19,773
Changes in unearned revenue	10,335	(68,031)	(57,696)
Changes in other accrued liabilities	-	(24,821)	(24,821)
<b>Net cash provided (used) by operating activities</b>	<b><u>\$ 118,914</u></b>	<b><u>\$ 65,963</u></b>	<b><u>\$ 184,877</u></b>

*See Notes to Financial Statements.*

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006

(1) Organization

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

Reporting Entity

For financial reporting purposes, INRCOG has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with INRCOG are such that exclusion would cause INRCOG's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of INRCOG to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on INRCOG. INRCOG has no component units which meet the Governmental Accounting Standards Board criteria.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Assets, Liabilities and Fund Equity

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

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

Investments - Investments are stated at cost which approximates market.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006

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

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

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

Accrued Benefits Payable - Accrued benefits payable are earned vacation and sick leave and have been accrued as liabilities on the balance sheet. These current liabilities have been computed based on rates of pay in effect at June 30, 2006.

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

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

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

(3) **Cash and Investments**

INRCOG's deposits in banks at June 30, 2006 were entirely covered by Federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006

(4) **Capital Assets**

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

<u>Iowa Northland Council of Governments</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 79,378	\$ -	\$ -	\$ 79,378
Leasehold improvements	74,597	-	-	74,597
Construction in progress	<u>691,456</u>	<u>427,318</u>	<u>-</u>	<u>1,118,774</u>
Total	<u>\$ 845,431</u>	<u>\$427,318</u>	<u>\$ -</u>	<u>\$1,272,749</u>

<u>Iowa Northland Regional Transit Commission</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 183,006	\$ 1,938	\$ -	\$ 184,944
Vehicles - unrestricted	244,328	31,256	42,080	233,504
Vehicles - restricted	804,910	152,600	102,284	855,226
Moving costs	664	-	-	664
Leasehold improvements	<u>308,370</u>	<u>-</u>	<u>-</u>	<u>308,370</u>
Total	<u>\$1,541,278</u>	<u>\$185,794</u>	<u>\$ 144,364</u>	<u>\$1,582,708</u>

(5) **Pension and Retirement Benefits**

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

Plan members are required to contribute 3.70% of their annual covered salary and INRCOG is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. INRCOG's contribution to IPERS for the year ended June 30, 2006 was \$43,202 which was equal to the required contribution for the year.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2006

(6) Operating Lease

INRCOG leases its office space on an operating lease basis. The lease calls for lease payments as described below. In addition, INRCOG is responsible for any leasehold improvements. Total rental and lease expense for the year ended June 30, 2006 was \$93,027.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2007	\$ 96,617
2008	96,617
2009	96,617
	<u>\$289,851</u>

(7) Commitments

At June 30, 2006, the following construction commitments had been made:

<u>Project</u>	<u>Total Contracts</u>	<u>Costs Incurred To Date</u>
Office building renovations	<u>\$1,096,874</u>	<u>\$ 441,712</u>

(8) Risk Management

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>Admini- stration</u>	<u>Technical Assistance</u>	<u>MET Davis Bacon</u>	<u>Tripoli HMP</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	-	20,394	2,047	969
Membership revenue	-	23,716	-	-
Rent revenue	-	-	-	-
Document Fee	-	-	-	-
Miscellaneous	-	1,977	-	-
Interest	-	36,524	-	-
Total	<u>\$ -</u>	<u>\$ 82,611</u>	<u>\$ 2,047</u>	<u>\$ 969</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ (5,479)	\$ 23,020	\$ 993	\$ 542
Travel	-	11,603	1	93
Meals	-	654	-	-
Seminar	-	1,215	-	-
Telephone/internet	-	147	-	-
Awards	-	50	-	-
Contracted services	-	1,675	-	-
Office supplies	-	291	-	-
Miscellaneous	-	-	-	-
Postage	-	925	2	61
Copy expense	-	1,547	3	47
Service agreements - bldg.	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	-	9,544	447	226
Provision for forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ (5,479)</u>	<u>\$ 50,671</u>	<u>\$ 1,446</u>	<u>\$ 969</u>
Net transactions	\$ 5,479	\$ 31,940	\$ 601	\$ -
Agency interfund transfer	(5,111)	(31,940)	(601)	-
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	120,363	-	-	-
Net assets beginning of year	<u>2,212,795</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><b>\$2,333,526</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>

(continued)

<u>BHCSWC</u>	<u>Housing Council</u>	<u>BHC Contractors Bond</u>	<u>Shell Rock Strategic Plan</u>	<u>Aplington CIP</u>	<u>COG Assistance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	9,375
26,310	7,407	-	1,308	1,733	-
-	-	-	-	-	-
-	116	-	-	-	-
-	-	11,540	-	-	-
-	-	-	-	-	-
<u>\$ 26,310</u>	<u>\$ 7,523</u>	<u>\$ 11,540</u>	<u>\$ 1,308</u>	<u>\$ 1,733</u>	<u>\$ 9,375</u>
\$ 18,205	\$ 5,195	\$ 2,338	\$ 750	\$ 1,024	\$ 7,521
160	81	-	98	95	-
-	-	-	-	-	-
125	-	-	-	-	-
7	1	1	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
88	22	28	-	-	-
-	-	-	-	-	-
16	28	426	-	2	-
99	27	90	22	35	-
-	-	-	-	-	-
-	8	-	-	-	-
-	-	-	-	-	-
35	-	-	-	-	-
-	-	-	-	-	-
7,575	2,161	973	312	426	3,129
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 26,310</u>	<u>\$ 7,523</u>	<u>\$ 3,856</u>	<u>\$ 1,182</u>	<u>\$ 1,582</u>	<u>\$ 10,650</u>
\$ -	\$ -	\$ 7,684	\$ 126	\$ 151	\$ (1,275)
-	-	(7,684)	(126)	(151)	1,275
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>INREDC</u>	<u>RTC</u>	<u>Metro Trans- portation</u>	<u>Hazelton LBP II</u>
<b>RECEIPTS:</b>				
Federal funds	\$ 51,000	\$ -	\$ 40,724	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	-	284,964	-	8,426
Membership revenue	17,000	-	10,182	-
Rent revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	1,071	-	-	-
Interest	100	-	-	-
Total	<u>\$ 69,171</u>	<u>\$284,964</u>	<u>\$ 50,906</u>	<u>\$ 8,426</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 43,710	\$194,239	\$ 35,527	\$ 4,349
Travel	4,279	5,032	423	136
Meals	741	78	37	-
Seminar	1,664	30	100	-
Telephone/internet	37	971	5	2
Awards	-	-	-	-
Contracted services	1,250	-	-	687
Office supplies	-	133	20	-
Miscellaneous	-	-	-	-
Postage	202	1,127	64	68
Copy expense	330	2,236	188	9
Service agreements - bldg	-	-	-	-
Advertising and notices	-	70	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	18,186	80,815	14,782	1,810
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	17	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	1,365
Legal and accounting	-	233	-	-
Total	<u>\$ 70,416</u>	<u>\$284,964</u>	<u>\$ 51,146</u>	<u>\$ 8,426</u>
Net transactions	\$ (1,245)	\$ -	\$ (240)	\$ -
Agency intrafund transfer	1,245	-	240	-
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

INRCOG Housing RLF	Regional Trans- portation	Parkersburg Comp Plan	Waverly Lead Based Paint II	Nashua Rental Lead Based Paint	Fredericks- burg EDSA	NE Iowa Comm Dev Group
\$ -	\$ 11,895	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	2,263	11,379	1,961	3,168	4,640
-	2,975	-	-	-	-	-
-	-	-	-	-	-	-
116	-	-	-	-	-	-
-	-	-	-	-	-	-
11,771	-	-	-	-	-	-
<u>\$ 11,887</u>	<u>\$ 14,870</u>	<u>\$ 2,263</u>	<u>\$ 11,379</u>	<u>\$ 1,961</u>	<u>\$ 3,168</u>	<u>\$ 4,640</u>
\$ 2,582	\$ 10,039	\$ 1,233	\$ 3,599	\$ 504	\$ 2,192	\$ -
-	534	96	149	111	42	-
-	7	-	-	-	-	-
-	-	-	232	-	-	-
1	5	-	-	3	10	-
-	-	-	-	-	-	-
-	-	-	1,511	875	-	4,640
-	-	-	-	-	-	-
331	-	-	-	-	-	-
123	32	-	217	29	5	-
5	153	75	6	-	7	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
49	-	-	-	-	-	-
1,074	4,177	513	1,497	209	912	-
(957)	-	-	-	-	-	-
7,524	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,168	230	-	-
733	-	-	-	-	-	-
<u>\$ 11,465</u>	<u>\$ 14,952</u>	<u>\$ 1,917</u>	<u>\$ 11,379</u>	<u>\$ 1,961</u>	<u>\$ 3,168</u>	<u>\$ 4,640</u>
\$ 422	\$ (82)	\$ 346	\$ -	\$ -	\$ -	\$ -
(422)	82	(346)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>Jesup Rehab</u>	<u>FEMA</u>	<u>Chickasaw Comp Plan</u>	<u>Waverly Comp Plan</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	6,290	1,856	4,214	43
Membership revenue	-	-	-	-
Rent Revenue	-	-	-	-
Document Fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 6,290</u>	<u>\$ 1,856</u>	<u>\$ 4,214</u>	<u>\$ 43</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 2,872	\$ 1,822	\$ 2,339	\$ 145
Travel	149	-	283	21
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	11	6	5	-
Awards	-	-	-	-
Contracted services	1,950	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	82	112	-	-
Copy expense	31	98	292	-
Service Agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	1,195	758	973	60
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 6,290</u>	<u>\$ 2,796</u>	<u>\$ 3,892</u>	<u>\$ 226</u>
Net transactions	\$ -	\$ (940)	\$ 322	\$ (183)
Agency intrafund transfer	-	940	(322)	183
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

Safety Program	FHlB Emergency Repair III	Readlyn Comp Plan	Region 6 Citizen Corp	United We Ride	Grundy Center Rehab	New Hampton Metal FAB EDSA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
37,500	21,361	1,091	1,980	1,800	11,728	2,898
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
341	-	-	-	-	-	-
<u>\$ 37,841</u>	<u>\$ 21,361</u>	<u>\$ 1,091</u>	<u>\$ 1,980</u>	<u>\$ 1,800</u>	<u>\$ 11,728</u>	<u>\$ 2,898</u>
\$ 37,386	\$ 1,339	\$ 625	\$ -	\$ 1,206	\$ 6,538	\$ 1,931
1,754	196	50	-	-	385	141
-	-	-	-	338	-	-
-	-	-	-	150	-	-
14	6	1	-	-	14	1
-	-	-	-	-	-	-
-	375	-	1,980	-	1,775	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
282	99	1	-	7	177	9
131	54	46	-	16	119	13
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	42	-	-	-	-	-
15,555	557	260	-	502	2,720	803
-	19,561	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 55,122</u>	<u>\$ 22,229</u>	<u>\$ 983</u>	<u>\$ 1,980</u>	<u>\$ 2,219</u>	<u>\$ 11,728</u>	<u>\$ 2,898</u>
\$(17,281)	\$ (868)	\$ 108	\$ -	\$ (419)	\$ -	\$ -
17,281	868	(108)	-	419	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	UNI Environ. <u>Analysis</u>	Hudson Rehab II <u>          </u>	CV Coalition <u>          </u>	Davis Bacon East & West HS <u>          </u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	10,120	1,037	22,257	228
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	1,392	-
Total	<u>\$ 10,120</u>	<u>\$ 1,037</u>	<u>\$ 23,649</u>	<u>\$ 228</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 4,109	\$ 63	\$ -	\$ 113
Travel	-	9	1,684	3
Meals	-	-	7,073	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	-
Awards	-	-	-	-
Contracted services	40	1,000	9,652	-
Office supplies	-	-	297	-
Miscellaneous	-	-	-	-
Postage	2	28	30	-
Copy expense	-	15	75	-
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	1,709	26	-	47
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	2,280	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 5,860</u>	<u>\$ 1,141</u>	<u>\$ 21,091</u>	<u>\$ 163</u>
Net transactions	\$ 4,260	\$ (104)	\$ 2,558	\$ 65
Agency intrafund transfer	(4,260)	104	(2,558)	(65)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

FHLB HBA & OT	MPO/TIP	MPO/TPWP	MPO/PPP	MPO/LRP	MPO/SRP	COZO Newsletter
\$ -	\$ 6,869	\$ 1,011	\$ 405	\$ 22,946	\$ 84,795	\$ -
-	-	-	-	-	-	-
212,710	-	-	-	-	-	1,533
-	1,717	253	102	5,737	21,199	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$212,710</u>	<u>\$ 8,586</u>	<u>\$ 1,264</u>	<u>\$ 507</u>	<u>\$ 28,683</u>	<u>\$105,994</u>	<u>\$ 1,533</u>
\$ 6,348	\$ 5,950	\$ 893	\$ 358	\$ 19,277	\$ 72,620	\$ 697
190	-	-	-	200	1,992	-
-	-	-	-	13	117	-
-	45	-	-	-	125	-
2	-	-	-	-	19	-
-	-	-	-	-	-	-
-	-	-	-	31	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
188	37	-	-	52	257	-
142	24	-	-	78	599	68
-	-	-	-	-	-	-
-	55	-	-	17	13	-
-	-	-	-	-	38	-
-	-	-	-	-	-	-
506	-	-	-	-	-	-
2,641	2,475	371	149	8,020	30,214	290
239,802	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	995	-	-
-	-	-	-	-	-	-
<u>\$249,819</u>	<u>\$ 8,586</u>	<u>\$ 1,264</u>	<u>\$ 507</u>	<u>\$ 28,683</u>	<u>\$105,994</u>	<u>\$ 1,055</u>
\$(37,109)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 478
37,109	-	-	-	-	-	(478)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>Jesup</u> <u>Subdivision</u>	<u>Nashua</u> <u>EDSA</u>	<u>Davis Bacon</u> <u>Independence</u>	<u>JEDF</u> <u>Income</u> <u>Verification</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	1,163	175	358	390
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 1,163</u>	<u>\$ 175</u>	<u>\$ 358</u>	<u>\$ 390</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 695	\$ 124	\$ 177	\$ 217
Travel	28	-	-	-
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	2	-	-	-
Awards	-	-	-	-
Contracted services	-	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	2	-	-	2
Copy expense	8	-	-	-
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	290	51	74	91
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 1,025</u>	<u>\$ 175</u>	<u>\$ 251</u>	<u>\$ 310</u>
Net transactions	\$ 138	\$ -	\$ 107	\$ 80
Agency intrafund transfer	(138)	-	(107)	(80)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)



IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	Allison Lead Based <u>Paint</u>	<u>MAPS</u>	Jesup Zoning <u>Ordinance</u>	Raymond <u>TIF</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	179	7,076	1,900	1,650
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 179</u>	<u>\$ 7,076</u>	<u>\$ 1,900</u>	<u>\$ 1,650</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 126	\$ 2,088	\$ 1,062	\$ 739
Travel	-	105	52	12
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	7	-
Awards	-	-	-	-
Contracted services	-	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	9	14	1
Copy expense	-	1	9	7
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	53	869	442	308
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 179</u>	<u>\$ 3,072</u>	<u>\$ 1,586</u>	<u>\$ 1,067</u>
Net transactions	\$ -	\$ 4,004	\$ 314	\$ 583
Agency intrafund transfer	-	(4,004)	(314)	(583)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

<u>IWE/BHC Solid Waste Commission</u>	<u>Greene Personnel Handbook</u>	<u>Buchanan Co Comp Plan</u>	<u>Shell Rock Flood II</u>	<u>Aurora CDBG</u>	<u>FHLB Emergency Repair II Admin</u>	<u>Davis Bacon Kingsley</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38,295	-	-	-	-	-	-
-	400	3,255	951	1,672	17,682	7,329
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 38,295</u>	<u>\$ 400</u>	<u>\$ 3,255</u>	<u>\$ 951</u>	<u>\$ 1,672</u>	<u>\$ 17,682</u>	<u>\$ 7,329</u>
\$ 25,784	\$ 379	\$ 2,662	\$ 660	\$ 1,159	\$ 4,460	\$ 3,606
1,288	-	226	-	-	135	66
72	-	-	-	-	-	-
350	-	-	-	-	-	-
25	1	2	3	4	12	5
-	-	-	-	-	-	-
-	-	-	-	-	850	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
79	9	8	11	9	55	8
36	-	83	9	18	18	5
-	-	-	-	-	-	-
-	-	-	-	-	-	-
59	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	24	-
10,728	157	1,108	276	482	1,856	1,500
-	-	-	-	-	15,682	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	38	-
<u>\$ 38,421</u>	<u>\$ 546</u>	<u>\$ 4,089</u>	<u>\$ 959</u>	<u>\$ 1,672</u>	<u>\$ 23,130</u>	<u>\$ 5,190</u>
\$ (126)	\$ (146)	\$ (834)	\$ (8)	\$ -	\$ (5,448)	\$ 2,139
126	146	834	8	-	5,448	(2,139)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>Dunkerton TIF</u>	<u>Jesup Lead Based Paint</u>	<u>Wellsburg CDBG</u>	<u>Fairbank Comp &amp; Zoning</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	880	6,948	3,754	8,701
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 880</u>	<u>\$ 6,948</u>	<u>\$ 3,754</u>	<u>\$ 8,701</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 395	\$ 2,927	\$ 2,649	\$ 4,957
Travel	176	164	-	260
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	3	3	3
Awards	-	-	-	-
Contracted services	-	1,484	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	1	186	-	6
Copy expense	-	21	-	360
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	164	1,218	1,102	2,062
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	945	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 736</u>	<u>\$ 6,948</u>	<u>\$ 3,754</u>	<u>\$ 7,648</u>
Net transactions	\$ 144	\$ -	\$ -	\$ 1,053
Agency intrafund transfer	(144)	-	-	(1,053)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

Grundy Center Lead Based Paint	Clarksville Rehab II	Clarksville LBP II	Parkersburg II-Lead Based Paint	Waterloo Relocation	Met-MR Waiver	LaPorte City Rehab
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
12,222	12,304	7,188	7,979	7,343	2,535	10,299
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 12,222</u>	<u>\$ 12,304</u>	<u>\$ 7,188</u>	<u>\$ 7,979</u>	<u>\$ 7,343</u>	<u>\$ 2,535</u>	<u>\$ 10,299</u>
\$ 3,864	\$ 7,166	\$ 3,261	\$ 4,541	\$ 5,165	\$ 1,177	\$ 6,129
371	517	179	378	6	-	209
23	-	-	-	-	-	-
-	-	231	-	-	-	-
2	7	-	-	-	-	1
-	-	-	-	-	-	-
1,193	1,400	880	288	-	-	1,150
-	-	-	-	-	-	-
-	-	-	-	-	-	-
117	138	95	80	17	2	147
19	95	1	16	6	99	113
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,608	2,981	1,357	1,889	2,149	490	2,550
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,025	-	1,184	787	-	-	-
-	-	-	-	-	-	-
<u>\$ 12,222</u>	<u>\$ 12,304</u>	<u>\$ 7,188</u>	<u>\$ 7,979</u>	<u>\$ 7,343</u>	<u>\$ 1,768</u>	<u>\$ 10,299</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 767	\$ -
-	-	-	-	-	(767)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>LaPorte City LBP</u>	<u>Housing Trust Fund II</u>	<u>Homeland Security- Fiscal Agent</u>	<u>Janesville Rehab II</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ 96,930	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	7,871	12,500	-	2,749
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	-	2,000	-	-
Miscellaneous	-	-	-	-
Interest	-	521	-	-
Total	<u>\$ 7,871</u>	<u>\$ 15,021</u>	<u>\$ 96,930</u>	<u>\$ 2,749</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 3,861	\$ 1,322	\$ 5,849	\$ 1,476
Travel	350	-	432	117
Meals	51	-	20	-
Seminar	369	-	-	-
Telephone/internet	-	-	8	-
Awards	-	-	-	-
Contracted services	888	-	88,078	500
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	33	124	23	23
Copy expense	12	20	86	8
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	1,607	550	2,434	614
Provision for forgivable loan	-	12,500	-	-
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	700	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 7,871</u>	<u>\$ 14,516</u>	<u>\$ 96,930</u>	<u>\$ 2,738</u>
Net transactions	\$ -	\$ 505	\$ -	\$ 11
Agency intrafund transfer	-	(505)	-	(11)
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)



IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	Raymond Subdivision Ordinance	Hazleton Rehab II	Dunkerton Rehab II	Housing Fund HBA
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	2,500	10,457	8,578	17,613
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 2,500</u>	<u>\$ 10,457</u>	<u>\$ 8,578</u>	<u>\$ 17,613</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 1,481	\$ 5,974	\$ 4,988	\$ 1,136
Travel	7	530	189	3
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	16	7	-
Awards	-	-	-	-
Contracted services	-	1,250	1,200	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	1	143	83	5
Copy expense	37	58	36	2
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Administrative overhead	616	2,486	2,075	473
Provision of forgivable loan	-	-	-	16,000
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repairs	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 2,142</u>	<u>\$ 10,457</u>	<u>\$ 8,578</u>	<u>\$ 17,619</u>
Net transactions	\$ 358	\$ -	\$ -	\$ (6)
Agency intrafund transfer	(358)	-	-	6
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1  
(continued)

Dunkerton Lead Based Paint II	New Hampton CEBA	Waverly Rehab II	Dumont Rehab	Lamont Rehab	Lamont LBP II	Nashua Rental Rehab
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
8,603	1,384	12,792	10,270	4,459	4,843	2,253
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8,603</u>	<u>\$ 1,384</u>	<u>\$ 12,792</u>	<u>\$ 10,270</u>	<u>\$ 4,459</u>	<u>\$ 4,843</u>	<u>\$ 2,253</u>
\$ 2,316	\$ 973	\$ 6,938	\$ 5,220	\$ 2,231	\$ 1,764	\$ 819
20	-	473	722	469	48	151
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1	4	14	4	-	7
-	-	-	-	-	-	-
1,178	-	2,250	1,900	750	858	900
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29	2	144	131	64	76	38
-	3	89	111	13	3	2
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,097	-	-	-	-	1,360	-
-	-	-	-	-	-	-
<u>\$ 8,603</u>	<u>\$ 1,384</u>	<u>\$ 12,792</u>	<u>\$ 10,270</u>	<u>\$ 4,459</u>	<u>\$ 4,843</u>	<u>\$ 2,258</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5)
-	-	-	-	-	-	5
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PROGRAM RECEIPTS, EXPENDITURES, AND  
CHANGES IN NET ASSETS  
YEAR ENDED JUNE 30, 2006

	<u>Housing Trust Fund</u>	<u>Hudson Lead Based</u>	<u>Janesville Lead Based</u>	<u>Dumont LBP</u>
<b>RECEIPTS:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	45,890	2,831	2,673	6,840
Membership revenue	-	-	-	-
Rent revenue	-	-	-	-
Document fee	832	-	-	-
Miscellaneous	-	-	-	-
Interest	155	-	-	-
Total	<u>\$ 46,877</u>	<u>\$ 2,831</u>	<u>\$ 2,673</u>	<u>\$ 6,840</u>
<b>EXPENDITURES:</b>				
Salaries and fringe benefits	\$ 1,921	\$ 529	\$ 195	\$ 2,108
Travel	191	110	30	90
Meals	10	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	-
Awards	-	-	-	-
Contracted services	-	830	398	928
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	5	81	29	29
Copy expense	7	2	4	4
Service agreements - bldg	-	-	-	-
Advertising and notices	-	-	-	-
Subscriptions	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	5	-	-	-
Administrative overhead	799	220	81	877
Provision for forgivable loan	45,890	-	-	-
Administrative expense - INHRC	-	-	-	-
Utilities	-	-	-	-
Repair	-	-	-	-
Property tax	-	-	-	-
Printing	-	-	-	-
Insurance	-	-	-	-
Equipment maintenance	-	-	-	-
Equipment purchases	-	-	-	-
Relocation	-	1,054	2,083	2,804
Legal and accounting	-	-	-	-
Total	<u>\$ 48,828</u>	<u>\$ 2,826</u>	<u>\$ 2,820</u>	<u>\$ 6,840</u>
Net transactions	\$ (1,951)	\$ 5	\$ (147)	\$ -
Agency intrafund transfer	1,951	(5)	147	-
Gain on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
<b>Net assets end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

*See Accompanying Independent Auditor's Report.*

<u>229 E Park Avenue</u>	<u>Total</u>
\$ -	\$ 344,259
-	47,670
-	1,052,339
-	89,801
52,534	52,534
-	3,064
-	14,588
-	50,804
<u>\$ 52,534</u>	<u>\$1,655,059</u>
\$ -	\$ 706,829
-	40,085
-	9,241
-	5,282
1	1,445
-	50
1,140	145,073
188	1,067
-	331
47	7,579
2	8,718
1,982	1,982
122	406
-	97
-	35
-	633
-	296,365
-	348,478
-	7,524
23,668	23,668
755	755
7,041	7,041
-	2,302
9,352	9,352
39	39
68	1,063
-	28,119
570	1,574
<u>\$ 44,975</u>	<u>\$1,655,133</u>
\$ 7,559	\$ (74)
(8,001)	-
442	442
-	120,363
-	2,212,795
<u>\$ -</u>	<u>\$2,333,526</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF SELECTED PROJECT COSTS AND COMPUTATION OF SELECTED PROJECT GRANTS  
YEAR ENDED JUNE 30, 2006

	<u>STA</u> <u>Operating</u> <u>Assistance</u>	<u>Section 18</u> <u>Operating</u> <u>18-4027-</u> <u>070-06</u>	<u>Section 18</u> <u>Capital</u> <u>18-0025-</u> <u>070-04</u>
Operating Expenditures:			
Personal Services	\$ -	\$ -	\$ -
Contractual Services	299,093	411,808	-
Commodities	-	-	-
Capital Outlay	-	-	64,380
Prior Year	-	-	-
Project Cost	<u>\$ 299,093</u>	<u>\$ 411,808</u>	<u>\$ 64,380</u>
Grant Participation in Project Cost	100%	50%	83/80%
<b>Percentage Participation</b>	<b><u>\$ 299,093</u></b>	<b><u>\$ 205,904</u></b>	<b><u>\$ 53,328</u></b>
<b>Contract Amount</b>	<b><u>\$ 304,213</u></b>	<b><u>\$ 104,389</u></b>	<b><u>\$ 64,611</u></b>
Permissible Grant (Lesser of Contract Amount or Percentage Participation)	\$ 299,093	\$ 104,389	\$ 53,328
Less: Grant Payments received in current year	(299,093)	(104,389)	(50,498)
Less: Grant Payments received in prior year	-	-	-
<b>Grant Receivable/(Payable)</b> <b>at June 30, 2006</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,830</u></b>

(continued)

<b>Section 3</b>						
<b>Capital</b>						
<u>03-0103-070-04</u>	<u>06-MPO-INRCOG</u>	<u>05-MPO-INRCOG</u>	<u>06-RPA-R07</u>	<u>05-RPA-R07</u>	<u>TF-2006-075</u>	<u>TF-2006-062</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	195,938	-	49,475	-	160	400
-	-	-	-	-	-	-
123,013	-	-	-	-	-	-
-	-	174,379	-	44,891	-	-
<u>\$123,013</u>	<u>\$ 195,938</u>	<u>\$ 174,379</u>	<u>\$ 49,475</u>	<u>\$ 44,891</u>	<u>\$ 160</u>	<u>\$ 400</u>
83%	80%	80%	80%	80%	50%	50%
<b><u>\$102,100</u></b>	<b><u>\$ 156,750</u></b>	<b><u>\$ 139,503</u></b>	<b><u>\$ 39,580</u></b>	<b><u>\$ 35,913</u></b>	<b><u>\$ 80</u></b>	<b><u>\$ 200</u></b>
<b><u>\$104,580</u></b>	<b><u>\$ 189,749</u></b>	<b><u>\$ 171,856</u></b>	<b><u>\$ 39,579</u></b>	<b><u>\$ 35,913</u></b>	<b><u>\$ 80</u></b>	<b><u>\$ 200</u></b>
\$102,100	\$ 156,750	\$ 139,504	\$ 39,579	\$ 35,913	\$ 80	\$ 200
(102,100)	(111,332)	(38,013)	(34,887)	(9,187)	(80)	(200)
-	-	(101,491)	-	(26,726)	-	-
<b><u>\$ -</u></b>	<b><u>\$ 45,418</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,692</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF SELECTED PROJECT COSTS AND COMPUTATION OF SELECTED PROJECT GRANTS  
YEAR ENDED JUNE 30, 2006

	<u>EDA</u> <u>05-83-04169</u>	<u>Homeland</u> <u>Security</u>	<u>Total</u>
Operating Expenditures:			
Personal Services	\$ -	\$ -	\$ -
Contractual Services	70,417	93,475	1,120,766
Commodities	-	-	-
Capital Outlay	-	-	187,393
Prior Year	-	4,251	223,521
Project Cost	<u>\$ 70,417</u>	<u>\$ 97,726</u>	<u>\$1,531,680</u>
Grant Participation in Project Cost	75%	100%	
<b>Percentage Participation</b>	<b><u>\$ 52,813</u></b>	<b><u>\$ 97,726</u></b>	<b><u>\$1,182,990</u></b>
<b>Contract Amount</b>	<b><u>\$ 51,000</u></b>	<b><u>\$1,777,155</u></b>	<b><u>\$2,843,325</u></b>
Permissible Grant (Lesser of Contract Amount or Percentage Participation)	\$ 51,000	\$ 97,726	\$1,079,662
Less: Grant Payments received in current	(51,000)	(81,810)	(882,589)
Less: Grant Payments received in prior year	-	-	(128,217)
<b>Grant Receivable/(Payable)</b> <b>at June 30, 2006</b>	<b><u>\$ -</u></b>	<b><u>\$ 15,916</u></b>	<b><u>\$ 68,856</u></b>

*See Accompanying Independent Auditor's Report.*

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2006

<u>GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>AGENCY PASS-THROUGH NUMBER</u>	<u>Program Expenditures</u>
<b><u>Federal Awards</u></b>			
<b>Direct:</b>			
Department of Commerce:			
Economic Development Administration:			
Planning Grant	11.302	05-83-04169	\$ <u>51,000</u>
<b>Indirect:</b>			
Department of Transportation:			
Iowa Department of Transportation:			
Discretionary Capital Grant	20.500	03-0103-070-04	\$ <u>102,100</u>
Urban Mass Transportation Technical Studies Grants:			
FHWA STP	20.515	06-RPA-R07	\$ 39,579
FTA MPO Planning	20.515	06MPO-INRCOG	156,750
			<u>\$ 196,329</u>
Non-urban Capital Assistance Project	20.509	18-0025-070-04	\$ 53,328
Non-urban Operating Assistance Project	20.509	18-4027-070-06	104,389
			<u>\$ 157,717</u>
Total Department of Transportation			<u>\$ 456,146</u>
Homeland Security	97.067		<u>\$ 93,475</u>
<b>Total</b>			<u><b>\$ 600,621</b></u>

*See Accompanying Independent Auditor's Report.*



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

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

I have audited the general purpose financial statements of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2006, and have issued my report thereon dated November 30, 2006. My report expressed an unqualified opinion on the financial statements. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. I noted no matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition or material weakness as defined above.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about INRCOG's operations for the year ended June 30, 2006 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of INRCOG. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

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

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

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

November 30, 2006



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

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

Compliance

I have audited the compliance of Iowa Northland Regional Council of Governments (INRCOG), 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 its major federal programs for the year ended June 30, 2006. INRCOG's major federal programs are identified in Part I of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal programs are the responsibility of INRCOG's management. My responsibility is to express an opinion on INRCOG's compliance based on my audit.

I conducted my 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 I 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 INRCOG's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on INRCOG's compliance with those requirements.

In my opinion, INRCOG complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of INRCOG is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing my audit, I considered INRCOG's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect INRCOG's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grant agreements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grant agreements caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. No current year reportable conditions were noted.

This report, a public record by law, is intended solely for the information and use of the officials, employees and members of INRCOG and other parties to whom INRCOG may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

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

November 30, 2006

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
Schedule of Findings  
Year Ended June 30, 2006

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) The audit did not disclose any reportable conditions in the internal control over financial reporting.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any reportable conditions in internal control over its major programs.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major programs.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were CFDA Number 20.509 Non-urban Assistance Project, and CFDA Number 20.515 Federal Transit Administration State Planning and Research.
- (j) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (k) INRCOG did not qualify as a low-risk auditee.

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

None

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

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITIONS:**

None

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS  
Schedule of Findings  
Year Ended June 30, 2006

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

- IV-A-06      Questionable Disbursements - No disbursements were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-B-06      Travel Expense - No disbursements of INRCOG money for travel expenses of spouses of INRCOG officials or employees were noted.
- IV-C-06      Business Transactions - No business transactions between INRCOG and INRCOG officials or employees were noted.
- IV-D-06      Bond Coverage - Surety bond coverage of INRCOG officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-E-06      Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and INRCOG's investment policy were noted.

