SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SIOUX CITY, IOWA

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2006

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INDEPENDENT AUDITORS' REPORT

Siouxland Interstate Metropolitan
Planning Council
Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, Sioux City, Iowa, as of and for the year ended June 30, 2006, which collectively comprise the basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of Siouxland Interstate Metropolitan Planning Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and each major fund of Siouxland Interstate Metropolitan Planning Council, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2006, on our consideration of Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information included in Schedules 1 through 9, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Heiges, Conner + Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
October 19, 2006

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Siouxland Interstate Metropolitan Planning Council (SIMPCO) 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. We encourage readers to consider this information in conjunction with the financial statements, which follow.

2006 FINANCIAL HIGHLIGHTS

- Total revenues increased from $3,416,610 in fiscal 2005 to $3,625,084 in fiscal 2006, and total expenditures increased from $3,341,300 in fiscal 2005 to $3,797,002 in fiscal 2006. The result is a decrease in the total fund balance from $416,928 for fiscal 2005 to $245,010 for fiscal 2006.
- The increase in total revenues was attributable to an increase in grant and local revenues in fiscal 2006. The increase in expenditures was due primarily to the increase in the cost of services provided to the planning area in fiscal 2006. The total fund balance decreased because the revenues were less than the cost of services provided for fiscal 2006.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

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

The Entity-wide Financial Statements consist of a statement of net assets and a statement of activities. These provide information about the activities as a whole and present an overall view of the finances.

The Fund Financial Statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements report the operations in more detail than the Entity-wide statements by providing information about the most significant funds.

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

Supplementary Information further explains and supports the financial statements with detailed information about the individual funds.

Schedule of Expenditures of Federal Awards provides details of various federal programs.

Reporting SIMPCO's Financial Activities

Entity-wide Financial Statements

The entity-wide statements report information about the entity as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The entity-wide statements report net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the financial health or position. Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.

In the entity-wide financial statements, the activities are divided into two functions:

- *Primary Government*: The General and Special Revenue activities are included here. Federal, state and local revenues, as well as contracted services, finance both these functions.

- *Component Units*: The activities of Tri-State Graduate Center (TSGC), Northeast Nebraska Joint Housing Agency (NNJHA) and Siouxland Regional Transit System (SRTS) are included here. Federal, state and local revenues, as well as contracted services, finance these functions.

Fund Financial Statements

The fund financial statements provide detailed information focusing on its most significant or "major" funds. Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs. Some funds are required by federal and state law. Other funds are established to control and manage money for particular purposes, such as accounting for projects or to show it is properly using certain revenues, such as federal grants.

There are two kinds of funds:

- Primary Government funds account for general services. These focus on how cash and other financial assets readily converted to cash flow in and out and the balances left at year-end available for spending. Consequently, the primary government fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs. The primary governmental funds include: 1) the General Fund, 2) the Special Revenue Fund, and 3) the Agency Fund.

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

- Component Unit funds account for services provided by related organizations. Component Unit funds are reported in the same way as the primary government fund statements.

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

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

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Net assets at the end of fiscal 2006 totaled $917,072. The analysis that follows focuses on the net assets.

	Condensed Statement of Net Assets		
	Primary Government	Component Units	Total
	June 30	June 30	June 30
	2006	2006	2006
Current and other Assets	$ 306,336	$ 453,934	$ 760,270
Capital Assets	$ 80,863	$ 577,083	$ 657,946
Total Assets	$ 387,199	$ 1,031,017	$ 1,418,216
Liabilities	$ 334,832	$ 166,312	$ 501,144
Total Liabilities	$ 334,832	$ 166,312	$ 501,144
Net Assets:			
Invested in Capital Assets: net of related debt	$ 80,863	$ 577,083	$ 657,946
Restricted	$ 4,849	$ -	$ 4,849
Unrestricted	$ (33,345)	$ 287,622	$ 254,277
Total Net Assets	$ 52,367	$ 864,705	$ 917,072

The combined net assets decreased by 3%, or $28,250, from fiscal 2005. The Primary Government net assets decreased by $275,607 while the Component Unit net assets increased by $247,357.

The following analysis details the changes in net assets.

	Changes in Net Assets		
	Primary Government	Component Units	Total
	Year ended June 30,	Year ended June 30,	Year ended June 30,
	2006	2006	2006
Revenues:			
Program Revenues:			
Charges for service	$ 433,183	$ 990,804	$ 1,423,987
Operating grants and contributions	$ 592,912	$ 1,116,258	$ 1,709,170
Capital Grants	$ -	$ 364,517	$ 364,517
Interest Income	$ 6,209	$ 7,900	$ 14,109
Miscellaneous Income	$ 16,267	$ 26,479	$ 42,746
Gain on Sale of Assets	$ -	$ 2,806	$ 2,806
Total Revenues	$ 1,048,571	$ 2,508,764	$ 3,557,335
Expenses	$ 1,324,178	$ 2,261,407	$ 3,585,585
Total Expenses	$ 1,324,178	$ 2,261,407	$ 3,585,585
Change in Net Assets	$ (275,607)	$ 247,357	$ (28,250)
Net Assets beginning of year	$ 327,974	$ 617,348	$ 945,322
Net Assets end of year	$ 52,367	$ 864,705	$ 917,072

Operating grants and contributions from local, state and federal sources account for 48%, while charges for service account for 40% of the total revenue. The expenses primarily relate to personnel, equipment/maintenance related and contract payments which account for 82% of the total expenses.

Primary Government Activities

Revenues for Primary Governmental activities were $1,048,571 and expenses were $1,324,178. The net assets decreased by $275,607 to $52,367 for fiscal 2006.

Component Unit Activities

Revenues of the Component Unit activities were $2,508,764 and expenses were $2,261,407. The net assets increased by $247,357 to $864,705 for fiscal 2006.

INDIVIDUAL FUND ANALYSIS

As previously noted, SIMPCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The total fund balance was $245,010, below last year's total fund balance of $416,928. The primary reason for the decrease in total fund balance in fiscal 2006 was due to the increase in revenue being less than the cost of services provided.

Primary Governmental Fund Highlights

- General Fund revenues decreased from $119,924 in fiscal 2005 to $112,594 in fiscal 2006, and General Fund expenditures decreased from $103,564 in fiscal 2005 to $89,246 in fiscal 2006. The transfers from the General Fund to the Special Revenue Fund were $6,323 in fiscal 2005 while transfers of $30,131 were made from the General Fund to the Special Revenue Fund in fiscal 2006. The result is a decrease in the General Fund balance from $106,628 for fiscal 2005 to $99,845 for fiscal 2006.
- The decrease in General Fund revenues was attributable to a decrease in contract and dues revenues in fiscal 2006. The decrease in expenditures was due to a decrease in administrative expenditures in fiscal 2006. The result is that the Council had a decrease in the General Fund balance.
- Special Revenue Fund revenues decreased from $1,211,350 in fiscal 2005 to $1,003,726 in fiscal 2006, and Special Revenue Fund expenditures decreased from $1,217,673 in fiscal 2005 to $1,033,857 in fiscal 2006. The Special Revenue Fund had a negative balance of $6,323 in fiscal 2005 and a negative balance of $30,131 in fiscal 2006. Since these funds are unrestricted, the Special Revenue Fund transfers in $30,131 from the General Fund in fiscal 2006.
- The decrease in Special Revenue Fund revenues was attributable to a decrease in grant and dues revenues. The decrease in expenditures was attributable to a decrease in travel, supplies, contract and administrative expenditures. The Council had a decrease in the Special Revenue Fund for fiscal 2006.

Component Unit Fund Highlights

- Component Unit revenues increased from $2,085,336 in fiscal 2005 to $2,508,764 in fiscal 2006, and the Component Unit expenditures increased from $2,020,063 in fiscal 2005 to $2,673,899 in fiscal 2006. The result is a decrease in the Component Unit Fund balance from $305,451 in fiscal 2005 to $140,316 in fiscal 2006.
- The increase in the Component Unit Fund revenues was attributable to an increase in grant and contract revenues. The increase in expenditures was due to an increase in personnel, vehicle insurance, equipment and maintenance, and contract expenditures. The Component Unit balance decreased because while revenues increased, expenditures increased more due to fuel and vehicle insurance in fiscal 2006.

CAPITAL ASSETS

At June 30, 2006, capital assets totaled $657,946, net of accumulated depreciation, in a broad range of capital assets including computers, office equipment, vehicles and vehicle radios.

The depreciation expense was $290,974 in fiscal 2006 and total accumulated depreciation is $2,171,964 at June 30, 2006. More detailed information about capital assets is available in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Council was unaware of existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Council's citizens, taxpayers, customers, members and creditors with a general overview of the Council's finances and to demonstrate the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Co-Executive Director at PO Box 1077, Sioux City, Iowa, 51102 or email: simpco@simpco.org.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL
STATEMENT OF NET ASSETS
JUNE 30, 2006

EXHIBIT A

	Primary Government				
	General Activities	Special Revenue Activities	Total Governmental Activities	Component Units	Total Reporting Entity
ASSETS					
Cash and Cash Equivalents	$ 104,830		$ 104,830	$ 194,261	$ 299,091
Accounts Receivable	5,807	$ 29,469	35,276	127,750	163,026
Due from Other Governments:					
Federal		128,441	128,441	35,807	164,248
State			-	2,262	2,262
Local		3,375	3,375	34,704	38,079
Prepaid Expenses	34,414		34,414	59,150	93,564
Capital Assets, Net of Accumulated Depreciation - Note 4	77,167	3,696	80,863	577,083	657,946
Total Assets	$ 222,218	$ 164,981	$ 387,199	$ 1,031,017	$ 1,418,216
LIABILITIES					
Accounts Payable	$ 41,130	$ 7,913	$ 49,043	$ 60,996	$ 110,039
Due to Other Governments:					
Federal			-	44,121	44,121
Local			-	13,375	13,375
Tenant Escrow			-	9,295	9,295
Accrued Wages and Benefits	182,119	10,252	192,371	17,595	209,966
Accrued Vacation	43,510	13,908	57,418	19,730	77,148
Deferred Revenue	36,000		36,000	1,200	37,200
Total Liabilities	$ 302,759	$ 32,073	$ 334,832	$ 166,312	$ 501,144
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	$ 77,167	$ 3,696	$ 80,863	$ 577,083	$ 657,946
Restricted - Expendable		4,849	4,849		4,849
Unrestricted	(157,708)	124,363	(33,345)	287,622	254,277
Total Net Assets	$(80,541)	$ 132,908	$ 52,367	$ 864,705	$ 917,072
Total Liabilities and Net Assets	$ 222,218	$ 164,981	$ 387,199	$ 1,031,017	$ 1,418,216

See Accompanying Notes to Financial Statements

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006

EXHIBIT B

FUNCTIONS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units
Primary Government:						
Governmental Activities						
General Functions	$ 316,770	$ 8,148	$ 15,123	-	$(293,499)	
Special Revenue Functions	1,007,408	425,035	577,789	-	(4,584)	
Total Governmental Activities	$ 1,324,178	$ 433,183	$ 592,912	-	$(298,083)	-
Component Units	$ 2,261,407	$ 990,804	$ 1,116,258	$ 364,517	-	$ 210,172
GENERAL REVENUES						
Interest Income					$ 6,209	$ 7,900
Miscellaneous Income					16,267	26,479
Gain on Sale of Assets						2,806
Total General Revenues					$ 22,476	$ 37,185
Change in Net Assets					$(275,607)	$ 247,357
Net Assets, Beginning of Year					327,974	617,348
Net Assets, End of Year					$ 52,367	$ 864,705

See Accompanying Notes to Financial Statements

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINED BALANCE SHEET - ALL FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2006

	General Fund	Special Revenue Funds	Agency Fund
ASSETS			
Cash and Cash Equivalents	$ 104,830		$ 30,678
Accounts Receivable	5,807	$ 29,469	
Due from Other Funds	316,484	24,803	
Due from Other Governments			
Federal		128,441	
State			
Local		3,375	
Prepaid Expenditures	34,414		
Loans Receivable			3,040
Investment in Annuity - Note 3			44,670
Capital Assets - Note 4	77,167	3,696	
Total Assets	$ 538,702	$ 189,784	$ 78,388
LIABILITIES			
Accounts Payable	$ 41,130	$ 7,913	
Due to Other Funds	44,815	149,166	
Due to Other Governments:			
Federal			
State			$ 33,718
Local			
Tenant Escrow			
Accrued Wages and Benefits	182,119	10,252	
Accrued Vacation	43,510	13,908	
Deferred Compensation - Note 3			44,670
Deferred Revenue	50,116		
Total Liabilities	$ 361,690	$ 181,239	$ 78,388
FUND EQUITY			
Invested in Capital Assets	$ 77,167	$ 3,696	
Fund Balance:			
Reserve for Prepaid Expenditures	34,414		
Unreserved	65,431	4,849	
Total Fund Equity	$ 177,012	$ 8,545	-
Total Liabilities and Fund Equity	$ 538,702	$ 189,784	$ 78,388

Total Primary Government	Component Units	Total Reporting Entity
$ 135,508	$ 194,261	$ 329,769
35,276	127,750	163,026
341,287	19,882	361,169
128,441	35,807	164,248
-	2,262	2,262
3,375	34,704	38,079
34,414	59,150	93,564
3,040		3,040
44,670		44,670
80,863	577,083	657,946
$ 806,874	$ 1,050,899	$ 1,857,773
$ 49,043	$ 60,996	$ 110,039
193,981	167,188	361,169
-	44,121	44,121
33,718		33,718
-	13,375	13,375
-	9,295	9,295
192,371	17,595	209,966
57,418	19,730	77,148
44,670		44,670
50,116	1,200	51,316
$ 621,317	$ 333,500	$ 954,817
$ 80,863	$ 577,083	$ 657,946
34,414	59,150	93,564
70,280	81,166	151,446
$ 185,557	$ 717,399	$ 902,956
$ 806,874	$ 1,050,899	$ 1,857,773

See Accompanying Notes to Financial Statements

RECONCILIATION OF THE COMBINED BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2006

	Governmental Activities	Component Units
RECONCILIATION OF FUND EQUITY TO NET ASSETS		
Total Fund Equity Per Fund Financial Statements ..	$ 185,557	$ 717,399
Elimination of Interfund Activity for Government-Wide Financial Statements	(147,306)	147,306
Recognition of Revenues Deferred in the Fund Financial Statements	14,116	-
Total Net Assets Per Statement of Net Assets	$ 52,367	$ 864,705

See Accompanying Notes to Financial Statements

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2006

	Primary Government		
	General Fund	Special Revenue Fund	Total
REVENUES			
Federal and State Grants		$ 356,311	$ 356,311
Membership Dues	$ 15,123	148,389	163,512
Support Assessments		73,089	73,089
Contract Services Income	90,013	425,035	515,048
Interest Income	6,209		6,209
Miscellaneous Income	1,249	902	2,151
Sale of Equipment			-
Total Revenues	$ 112,594	$ 1,003,726	$ 1,116,320
EXPENDITURES			
Salaries and Benefits		$ 663,741	$ 663,741
Rent		50	50
Travel and Training	$ 655	35,882	36,537
Communications		1,791	1,791
Supplies		30,795	30,795
Insurance			-
Dues and Subscriptions		1,544	1,544
Professional Fees			-
Purchased Services		10,172	10,172
Equipment and Maintenance			-
Contractual Payments		66,902	66,902
Advertising	646	963	1,609
Indirect/Administrative	87,322	222,017	309,339
Miscellaneous	623		623
Total Expenditures	$ 89,246	$ 1,033,857	$ 1,123,103
Excess (Deficiency) of Revenues Over Expenditures	$ 23,348	$(30,131)	$(6,783)
TRANSFERS IN (OUT)	(30,131)	30,131	-
Net	$(6,783)	-	$(6,783)
Fund Balance - Beginning of Year	106,628	$ 4,849	111,477
Fund Balance - End of Year	$ 99,845	$ 4,849	$ 104,694

Component Units

Component Units	Total
$ 1,368,742	$ 1,725,053
-	163,512
112,033	185,122
990,804	1,505,852
7,900	14,109
26,479	28,630
2,806	2,806
$ 2,508,764	$ 3,625,084
$ 1,182,275	$ 1,846,016
29,606	29,656
12,091	48,628
6,947	8,738
17,495	48,290
290,678	290,678
4,245	5,789
3,021	3,021
1,681	11,853
834,768	834,768
191,056	257,958
4,901	6,510
81,865	391,204
13,270	13,893
$ 2,673,899	$ 3,797,002
$(165,135)	$(171,918)
-	-
$(165,135)	$(171,918)
305,451	416,928
$ 140,316	$ 245,010

See Accompanying Notes to Financial Statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2006

	Governmental Activities	Component Units
Net Change in Fund Balances	$(6,783)	$(165,135)
Capital Outlays Reported as Expenditures in the Fund Statement	-	431,000
Reversal of Prior Year Interfund Activity Elimination	17,262	(17,262)
Revenues Deferred for Asset Replacement in the Fund Statement	3,642	-
Additional Depreciation Expense Reported in the Statement of Activities	(142,422)	(148,552)
Elimination of Interfund Activity	(147,306)	147,306
Change in Net Assets Per Statement of Activities	$(275,607)	$ 247,357

See Accompanying Notes to Financial Statements

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Siouxland Interstate Metropolitan Planning Council (The Council or SIMPCO) was organized in 1965 to provide planning activities for member governmental bodies. The Council currently has 61 voluntary member governments from Iowa, Nebraska and South Dakota.

A. Reporting Entity

For financial reporting purposes, the Council has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The Council has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the Council'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 the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Agency. The Council has three component units which meet the Governmental Accounting Standards Board criteria.

Component Units - The Siouxland Regional Transit System was organized to improve and coordinate transportation services in Cherokee, Ida, Monona, Plymouth and Woodbury counties in Iowa. The Tri-State Graduate Center was organized to facilitate the delivery of graduate education to Siouxland residents through the colleges and universities in Iowa, Nebraska and South Dakota. The Northeast Nebraska Joint Housing Agency administers the housing voucher program for residents in rural Dakota, Dixon, and Wayne Counties in Nebraska. All entities are discretely presented in these financial statements and their separate financial statements are included.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Basis of Presentation

Entity-Wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents the Council's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in Capital Assets, Net of Related Debt - Capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets subject to constraints on net asset use that are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - Net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

B. Basis of Presentation (Cont.)

Fund Financial Statements - The various funds and their designated purposes are as follows:

General Fund - The General Fund is the general operating fund of the Council. It accounts for all financial resources of SIMPCO that are not required to be accounted for in the special revenue funds. The general operating expenditures and fixed charges that are not paid from other funds are paid from the general fund.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

Agency Funds - The agency funds are used to account for assets held by the Council as an agent for individuals, private organizations and other governments. The Agency Funds are custodial in nature, assets equal liabilities, and do not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The entity-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Membership dues and local assessments are recognized as revenue in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont.)

D. Assets, Liabilities and Net Assets

Accounts Receivable - Trade credit is generally extended to Council members and clients on a short-term basis. These receivables do not bear interest, although a finance charge may be applied to balances more than thirty days past due. Individual accounts receivable are periodically evaluated for collectibility based on past credit history and their current financial condition. All significant receivables of the Council are considered collectible at June 30, 2006. Therefore, no allowance for doubtful accounts is recorded.

Due From Other Governments - Accounts receivable from Federal, state and local governments represent the earned portion of grant contracts between the Council and various government agencies. The funds received under these contracts are normally restricted to cover only specified expenditures under the programs described in the grant contract.

Capital assets, which include vehicles, electronics, and office furniture, are reported in the applicable activities column of the Statement of Net Assets. Capital assets are recorded at historical cost if purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Capital assets of the Council are depreciated using the straight line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Vehicles	5 Years
Electronic Equipment	5 Years
Office Furniture	7 Years

Compensated Absences - A total of 20 days vacation may be accumulated by each employee. The Council has accrued a liability of $77,148 at June 30, 2006, for vacation pay which has been earned but not taken by the Council employees. The liability has been computed based on rates of pay in effect at June 30, 2006.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

E. Membership Dues and Local Assessments

Dues and assessments are collected from Council members to fund administrative costs not allocable to special revenue funds and also to honor Federal grant contracts requiring local matching funds. The portion of dues and assessments used for matching purposes are reported as revenue of the related special revenue fund.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. Allocation of Indirect Costs

Costs which cannot be specifically identified with a particular program are allocated to all programs having current activity on the basis of direct labor hours.

Note 2 - DEPOSITS

The Council's deposits in banks at June 30, 2006, were entirely covered by Federal Depository Insurance or by a multiple financial institution collateral pool, 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.

Note 3 - INVESTMENT IN ANNUITY

The Council and a former Executive Director entered into an agreement on December 8, 1988, in which the Director agreed to retire at age 65, in exchange for an annuity. The net surrender value of the annuity at June 30, 2006, is $44,670. Monthly installments are currently at $571. The assets are solely the property rights of SIMPCO, subject only to the claims of SIMPCO's general creditors.

Note 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2006, is as follows:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
Capital Assets:				
General Activities Equipment	$ 445,035	$ 41,365	$ 28,632	$ 457,768
Office Equipment:				
TGC	47,424			47,424
MPO/RPA	39,888			39,888
SEDC Equipment	12,012			12,012
SRTS Equipment	1,923,681	431,000	97,635	2,257,046
Housing Equipment	15,772			15,772
Totals	$ 2,483,812	$ 472,365	$ 126,267	$ 2,829,910
Less Accumulated Depreciation:				
General Activities Equipment	$ 268,440	$ 140,793	$ 28,632	$ 380,601
Office Equipment:				
TGC	45,055	222		45,277
MPO/RPA	37,208	816		38,024
SEDC Equipment	9,367	813		10,180
SRTS Equipment	1,633,746	147,479	97,635	1,683,590
Housing Equipment	13,441	851		14,292
	$ 2,007,257	$ 290,974	$ 126,267	$ 2,171,964
Net Capital Assets	$ 476,555	$ 181,391	-	$ 657,946

During the year ended June 30, 2006, the Council recorded accumulated depreciation in the fund financial statements with the offset to Fund Equity - Invested in Capital Assets, to enhance comparability between the Statement of Net Assets and the Balance Sheet.

Note 5 - EMPLOYEE BENEFITS

Retirement Benefits - In 1975, the Planning Council began a qualified contributory money purchase pension plan with the International City Management Association Retirement Corporation (ICMARC). All employees who meet the minimum service and age requirements are eligible to participate in the pension plan. Each participant is required to contribute five percent of his or her compensation, which is matched by the Council. Participants may voluntarily contribute up to an additional ten percent of their compensation. The Council is not required to match employee voluntary contributions. Amounts for the year ended June 30, 2006, are as follows:

Employee Contributions	.....	$ 32,548
Employer Contributions	.....	$ 32,548

All contributions due to the pension plan have been made, as of June 30, 2006. The multiple plan provides quarterly and stand-alone annual financial statements to participants.

Deferred Compensation - The Council offers its administrative employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). The plan, available to all Council employees, permits them to defer a portion of their salary until future years. Employee contributions for the year ended June 30, 2006, were $20,509.

Partially Self-Insured Health Insurance Plan - The Council participates in a partially self-funded health insurance plan for Council's employees. Premiums are paid to the Council's medical insurance carrier and claims are handled by the carrier. The Council's maximum fund exposure for this plan is $135,000. At June 30, 2006, $93,954 was included in accrued wages and benefits.

Unemployment Insurance - SIMPCO has elected to be self insured under state unemployment tax laws. Any claims that may arise will be paid by the Council when presented. At June 30, 2006, $51,055 is included in accrued wages and benefits.

Note 6 - RELATED PARTY DISCLOSURE

The City of Sioux City is a member of SIMPCO and paid dues of $72,852 during the year. An agreement existed between the City and SIMPCO whereby the City served as a pass-through depository. All receipts were recorded by SIMPCO and taken to the City for inclusion in their bank deposit. Accounts payable and payroll were computed and recorded by SIMPCO and listings were submitted to the City from which they prepared checks for SIMPCO. This agreement was terminated as of August 1, 2005, and SIMPCO now has its own operating bank account.

Note 7 - OPERATING LEASES

The Council leases various office facilities and equipment under agreements that have been classified as operating leases and accordingly, all rents are expensed as incurred. Total rental for the year was $59,476. Of this amount, $29,820 is included in indirect/administrative.

Note 8 - SICK PAY

The Council has elected not to accrue sick leave based on the fact that while sick leave accumulates, it does not vest and an employee has to be absent due to illness for sick leave to be paid. No estimate of the occurrence rate of future employee illness could be made.

Note 9 - RISK MANAGEMENT

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

Note 10 - COMMITMENTS AND CONTINGENCIES

One of SIMPCO's component units, Siouxland Regional Transit System, is currently involved in certain legal matters which are being defended in the ordinary course of business. The liability, if any, associated with these matters is not determinable at June 30, 2006.

Note 11 - LINE OF CREDIT

The Council has an unused operating line of credit of $300,000 at June 30, 2006. The line has a stated interest rate of 7.5% and expired after year end, but is in the process of being renewed.

SUPPLEMENTARY INFORMATION

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

JUNE 30, 2006

ASSETS

	MPO/RPA	Economic Development	Lewis & Clark
ASSETS			
Accounts Receivable			
Due from Other Funds		$ 18,095	$ 1,844
Due from Other Governments:			
Federal	$ 100,429	24,494	
State			
Local	250		
Prepaid Expenditures			
Capital Assets	1,864	1,832	
Total Assets	$ 102,543	$ 44,421	$ 1,844

LIABILITIES AND FUND EQUITY

LIABILITIES			
Accounts Payable	$ 1,270	$ 163	$ 1,844
Due to Other Funds	96,031	23,100	
Due to Other Governments:			
Federal			
State			
Accrued Wages and Benefits	3,378	5,418	
Accrued Vacation		13,908	
Deferred Revenue			
Total Liabilities	$ 100,679	$ 42,589	$ 1,844
FUND EQUITY			
Invested in Capital Assets	$ 1,864	$ 1,832	
Fund Balance:			
Unreserved			
Total Fund Equity	$ 1,864	$ 1,832	-
Total Liabilities and Fund Equity	$ 102,543	$ 44,421	$ 1,844

Hazmat Services	Other Member Projects	Total Special Revenue
	$ 29,469	$ 29,469
$ 15	4,849	24,803
3,518		128,441
		-
	3,125	3,375
		-
		3,696
$ 3,533	$ 37,443	$ 189,784
$ 3,533	$ 1,103	$ 7,913
	30,035	149,166
		-
		-
	1,456	10,252
		13,908
		-
$ 3,533	$ 32,594	$ 181,239
		$ 3,696
	$ 4,849	4,849
-	$ 4,849	$ 8,545
$ 3,533	$ 37,443	$ 189,784

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2006

	MPO/RPA	Economic Development	Lewis & Clark
REVENUES			
Federal and State Grants	$ 299,568	$ 36,267	
Membership Dues	73,513	45,000	
Support Assessments	100		$ 13,125
Contract Services Income	250	322,064	
Miscellaneous Income			416
Total Revenues	$ 373,431	$ 403,331	$ 13,541
EXPENDITURES			
Salaries and Benefits	$ 221,437	$ 350,800	
Rent	50		
Travel and Training	11,477	6,422	$ 77
Communications	29	1,000	565
Supplies	6,316	6,520	10,667
Dues and Subscriptions	604		260
Purchased Services	3,008	750	
Contractual Payments			1,360
Advertising	702		
Indirect/Administrative	130,478	37,212	612
Total Expenditures	$ 374,101	$ 402,704	$ 13,541
Excess (Deficiency) of Revenues Over (Under) Expenditures	$(670)	$ 627	-
TRANSFERS IN	670	(627)	
Net	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	-	-	-

Hazmat Services	Other Member Projects	Total Special Revenue
$ 12,863	$ 7,613	$ 356,311
	29,876	148,389
58,814	1,050	73,089
	102,721	425,035
	486	902
$ 71,677	$ 141,746	$ 1,003,726
$ 2,922	$ 88,582	$ 663,741
		50
2,974	14,932	35,882
	197	1,791
2,865	4,427	30,795
	680	1,544
4,708	1,706	10,172
56,302	9,240	66,902
	261	963
1,775	51,940	222,017
$ 71,546	$ 171,965	$ 1,033,857
$ 131	$(30,219)	$(30,131)
(131)	30,219	30,131
-	-	-
-	$ 4,849	$ 4,849
-	$ 4,849	$ 4,849

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

METROPOLITAN AND REGIONAL PLANNING

FOR THE YEAR ENDED JUNE 30, 2006

	Regional Planning Affiliation STP	Regional Planning Affiliation FTA	Iowa Federal Highway Planning
REVENUES			
Federal and State Grants	$ 29,500	$ 13,543	$ 154,890
Membership Dues	7,000	3,386	38,648
Support Assessments			
Contracted Services	200	50	
Total Revenues	$ 36,700	$ 16,979	$ 193,538
EXPENDITURES			
Salaries and Benefits	$ 22,121	$ 10,115	$ 111,973
Rent	25	25	
Travel and Training	1,682	349	6,803
Communications			28
Supplies	594	268	4,162
Dues and Subscriptions			514
Purchased Services			3,005
Advertising	165	82	208
Indirect/Administrative	12,133	6,153	66,883
Total Expenditures	$ 36,720	$ 16,992	$ 193,576
(Deficiency) of Revenues Over Expenditures	$(20)	$(13)	$(38)
TRANSFERS IN	20	13	38
Net	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	-	-	-

Nebraska Federal Highway Planning	So. Dakota Federal Highway Planning	Regional Planning Affiliation FTA	Total
$ 37,571	$ 31,298	$ 32,766	$ 299,568
9,393	6,894	8,192	73,513
		100	100
			250
$ 46,964	$ 38,192	$ 41,058	$ 373,431
$ 29,036	$ 23,278	$ 24,914	$ 221,437
			50
645	1,060	938	11,477
1			29
412	326	554	6,316
48	42		604
1	2		3,008
104	82	61	702
17,040	13,631	14,638	130,478
$ 47,287	$ 38,421	$ 41,105	$ 374,101
$(323)	$(229)	$(47)	$(670)
323	229	47	670
-	-	-	-
-	-	-	-
-	-	-	-

SIOUXLAND INTERSTATE METORPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

ECONOMIC DEVELOPMENT FUNDS

FOR THE YEAR ENDED JUNE 30, 2006

	EDA Administration	Siouxland Economic Development Corporation	Microloan Demonstration Project
REVENUES			
Federal and State Grants	$ 36,267		
Membership Dues	45,000		
Contract Services Income		$ 58,848	$ 1,086
Total Revenues	$ 81,267	$ 58,848	$ 1,086
EXPENDITURES			
Salaries and Benefits	$ 73,036	$ 29,461	$ 995
Travel and Training			48
Communications			1
Supplies	27		42
Purchased Services			
Indirect/Administrative	22,057	15,155	
Total Expenditures ...	$ 95,120	$ 44,616	$ 1,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	$(13,853)	$ 14,232	-
TRANSFERS IN (OUT)	13,853	(14,232)	
Net	-	-	-
Fund Balance - Beginning of Year..	-	-	-
Fund Balance - End of Year	-	-	-

Loan Servicing and Management	Total Economic Development Funds
	$ 36,267
	45,000
$ 262,130	322,064
$ 262,130	$ 403,331
$ 247,308	$ 350,800
6,374	6,422
999	1,000
6,451	6,520
750	750
	37,212
$ 261,882	$ 402,704
$ 248	$ 627
(248)	(627)
-	-
-	-
-	-

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS

FOR THE YEAR ENDED JUNE 30, 2006

	Akron Codes	Anthon Codes	Castana Codes	Cherokee County Codes
REVENUES				
Federal and State Grants				
Membership Dues				
Support Assessments				
Contract Services Income	$ 3,281	$ 888	$ 596	$ 1,100
Miscellaneous Income				
Total Revenues	$ 3,281	$ 888	$ 596	$ 1,100
EXPENDITURES				
Salaries and Benefits	$ 2,404	$ 843		$ 978
Travel and Training	173	169	$ 26	
Communications				
Supplies				
Dues and Subscriptions				
Purchased Services				
Contractual Payments			285	
Advertising				
Indirect/Administrative	1,396	499	171	582
Total Expenditures	$ 3,973	$ 1,511	$ 482	$ 1,560
Excess (Deficiency) of Revenues Over Expenditures	$(692)	$(623)	$ 114	$(460)
TRANSFERS IN (OUT)	692	623	(114)	460
Net	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	-	-	-	-

Community Development Projects	Crofton Codes	Homes Codes	Hornick Codes	Ida Grove Codes
$ 29,876				
1,050				
9,685	$ 720	$ 530	$ 1,801	$ 161
486				
$ 41,097	$ 720	$ 530	$ 1,801	$ 161
$ 11,062	$ 499	$ 166	$ 1,439	
6,940	95	49	235	$ 85
197				
4,346	8			
680				
1,706				
1,980		340		165
250				
7,496	191	262	906	99
$ 34,657	$ 793	$ 817	$ 2,580	$ 349
$ 6,440	$(73)	$(287)	$(779)	$(188)
(6,440)	73	287	779	188
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

	Lawton Codes	Marcus Codes	Maskell Codes	Merrill Codes
REVENUES				
Federal and State Grants				
Membership Dues				
Support Assessments				
Contract Services Income	$ 1,184	$ 6,499	$ 684	$ 8,578
Miscellaneous Income				
Total Revenues	$ 1,184	$ 6,499	$ 684	$ 8,578
EXPENDITURES				
Salaries and Benefits	$ 983	$ 2,020	$ 499	$ 6,456
Travel and Training	72	692		375
Communications				
Supplies				15
Dues and Subscriptions				
Purchased Services				
Contractual Payments		1,590		75
Advertising				
Indirect/Administrative	590	2,134	184	3,959
Total Expenditures ...	$ 1,645	$ 6,436	$ 683	$ 10,880
Excess (Deficiency) of Revenues Over Expenditures	$(461)	$ 63	$ 1	$(2,302)
TRANSFERS IN (OUT)	461	(63)	(1)	2,302
Net	-	-	-	-
Fund Balance - Beginning of Year..	-	-	-	-
Fund Balance - End of Year	-	-	-	-

Moville Codes	Onawa Codes	Pender Codes	Plymouth County Codes	Ponca Codes
$ 384	$ 10,356	$ 835	$ 6,747	$ 651
$ 384	$ 10,356	$ 835	$ 6,747	$ 651
$ 942	$ 4,879	$ 151	$ 4,482	$ 449
104	683	65	422	30
	24			
	2,340	440		
581	2,509	253	2,738	171
$ 1,627	$ 10,435	$ 909	$ 7,642	$ 650
$(1,243)	$(79)	$(74)	$(895)	$ 1
1,243	79	74	895	(1)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

	SCPP Codes	SC Empowerment Zone Codes	Sgt. Bluff Codes	Siouxland Trails Foundation Codes
REVENUES				
Federal and State Grants	$ 7,613			
Membership Dues				
Support Assessments				
Contract Services Income	22,360	$ 500	$ 5,636	$ 443
Miscellaneous Income				
Total Revenues	$ 29,973	$ 500	$ 5,636	$ 443
EXPENDITURES				
Salaries and Benefits	$ 32,942	$ 370	$ 2,889	
Travel and Training	2,557		492	
Communications				
Supplies	34			
Dues and Subscriptions				
Purchased Services				
Contractual Payments	795		780	
Advertising			11	
Indirect/Administrative	17,472	135	2,174	
Total Expenditures	$ 53,800	$ 505	$ 6,346	-
Excess (Deficiency) of Revenues Over Expenditures	$(23,827)	$(5)	$(710)	$ 443
TRANSFERS IN (OUT)	23,827	5	710	(443)
Net	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	-	-	-	-

Sloan Codes	South Sioux Codes	Struble Codes	Washta Codes	Westfield Codes
$ 887	$ 8,579	$ 3,150	$ 1,163	$ 3,150
$ 887	$ 8,579	$ 3,150	$ 1,163	$ 3,150
$ 1,430	$ 6,633	$ 1,899	$ 377	$ 2,135
258	508	113	660	100
			450	
948	2,537	1,153	567	1,287
$ 2,636	$ 9,678	$ 3,165	$ 2,054	$ 3,522
$(1,749)	$(1,099)	$(15)	$(891)	$(372)
1,749	1,099	15	891	372
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL SCHEDULE 5
(Cont.)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

	Whiting Codes	Total
REVENUES		
Federal and State Grants		$ 7,613
Membership Dues		29,876
Support Assessments		1,050
Contract Services Income	$ 2,173	102,721
Miscellaneous Income		486
Total Revenues	$ 2,173	$ 141,746
EXPENDITURES		
Salaries and Benefits	$ 1,655	$ 88,582
Travel and Training	29	14,932
Communications		197
Supplies		4,427
Dues and Subscriptions		680
Purchased Services		1,706
Contractual Payments		9,240
Advertising		261
Indirect/Administrative	946	51,940
Total Expenditures	$ 2,630	$ 171,965
Excess (Deficiency) of Revenues Over Expenditures	$(457)	$(30,219)
TRANSFERS IN (OUT)	457	30,219
Net	-	-
Fund Balance - Beginning of Year	-	-
Fund Balance - End of Year	-	-

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL SCHEDULE 6

SCHEDULE OF AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2006

	Cardinal Development Inc.	Deferred Compensation	Total Agency Funds
ASSETS AND OTHER DEBITS			
Cash and Cash Equivalents	$ 30,678		$ 30,678
Loan Receivable	3,040		3,040
Investment in Annuity		$ 44,670	44,670
Total Assets	$ 33,718	$ 44,670	$ 78,388
LIABILITIES, EQUITY, AND OTHER CREDITS			
Liabilities:			
Due to State Governments	$ 33,718		$ 33,718
Deferred Compensation		$ 44,670	44,670
Total Liabilities	$ 33,718	$ 44,670	$ 78,388

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL SCHEDULE 7

COMBINING BALANCE SHEET

COMPONENT UNITS

JUNE 30, 2006

ASSETS	Siouxland Regional Transit System	Tri-State Graduate Center	Northeast Nebraska Joint Housing Agency	Total Component Units
ASSETS				
Cash and Cash Equivalents	$ 49,878	$ 46,007	$ 98,376	$ 194,261
Accounts Receivable	127,750			127,750
Due from Other Funds			19,882	19,882
Due from Other Governments:				
Federal	35,807			35,807
State	2,262			2,262
Local	34,704			34,704
Prepaid Expenditures	58,850	300		59,150
Capital Assets	573,456	2,147	1,480	577,083
Total Assets	$ 882,707	$ 48,454	$ 119,738	$ 1,050,899
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	$ 57,657	$ 3,116	$ 223	$ 60,996
Due to Other Funds	153,010	14,178		167,188
Due to Other Governments:				
Federal			44,121	44,121
Local	13,375			13,375
Tenant Escrow			9,295	9,295
Accrued Wages and Benefits	14,740	1,764	1,091	17,595
Accrued Vacation	11,937	7,793		19,730
Deferred Revenue	1,200			1,200
Total Liabilities	$ 251,919	$ 26,851	$ 54,730	$ 333,500
FUND EQUITY				
Invested in Capital Assets	$ 573,456	$ 2,147	$ 1,480	$ 577,083
Fund Balance:				
Reserve for Prepaid Expenditures	58,850	300		59,150
Unreserved	(1,518)	19,156	63,528	81,166
Total Fund Equity	$ 630,788	$ 21,603	$ 65,008	$ 717,399
Total Liabilities and Fund Equity	$ 882,707	$ 48,454	$ 119,738	$ 1,050,899

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

COMPONENT UNITS

JUNE 30, 2006

	Siouxland Regional Transit System				
	Operation	Building	South Dakota Service	Capital	Total Siouxland Regional Transit System
REVENUE					
Federal and State Grants	$ 543,088		$ 40,891	$ 364,517	$ 948,496
Support Assessments	89,683		17,350		107,033
Contract Services Income	981,415		9,389		990,804
Interest Income	2,041				2,041
Miscellaneous	18,221			184	18,405
Sale of Equipment				2,806	2,806
Total Revenues	$ 1,634,448	-	$ 67,630	$ 367,507	$ 2,069,585
EXPENDITURES					
Salaries and Benefits	$ 921,059		$ 51,971		$ 973,030
Rent	23,215		2,791		26,006
Travel and Training	5,873		401		6,274
Communications	4,687		251		4,938
Supplies	7,368				7,368
Insurance	284,982		5,196		290,178
Dues and Subscriptions	2,888				2,888
Professional Fees	21				21
Purchased Services	1,512				1,512
Equipment and Maintenance	377,241		12,266	$ 441,764	831,271
Contractual Payments	3,840				3,840
Advertising	2,180				2,180
Indirect/ Administrative	67,830				67,830
Miscellaneous	12,649		621		13,270
Total Expenditures	$ 1,715,345	-	$ 73,497	$ 441,764	$ 2,230,606
Excess (Deficiency) of Revenues Over Expenditures	$(80,897)	-	$(5,867)	$(74,257)	$(161,021)
TRANSFERS IN (OUT)	-	-	-	-	-
Net	$(80,897)	-	$(5,867)	$(74,257)	$(161,021)
Fund Balance - Beginning of Year	118,187		5,865	94,300	218,352
Fund Balance - End of Year	$ 37,290	-	$(2)	$ 20,043	$ 57,331

Tri-State Graduate Center				Nort
Iowa Graduate Center	Nebraska Graduate Center	South Dakota Graduate Center	Total Tri-State Graduate Center	Northeast Nebraska Housing
$ 77,941	$ 42,388	$ 6,582	$ 126,911	$ 222,981
4,000	1,000		5,000	
			-	
1,507	795	124	2,426	3,433
2,248	1,038	316	3,602	4,472
			-	
$ 85,696	$ 45,221	$ 7,022	$ 137,939	$ 230,886
$ 69,869	$ 36,886	$ 5,728	$ 112,483	$ 25,405
2,237	1,180	183	3,600	
1,718	906	141	2,765	3,052
803	424	66	1,293	716
4,969	2,622	407	7,998	2,129
311	164	25	500	
419	221	35	675	682
			-	3,000
			-	169
2,172	1,147	178	3,497	
			-	187,216
1,620	855	133	2,608	113
3,728	1,967	305	6,000	8,035
			-	
$ 87,846	$ 46,372	$ 7,201	$ 141,419	$ 230,517
$(2,150)	$(1,151)	$(179)	$(3,480)	$ 369
-	-	-	-	-
$(2,150)	$(1,151)	$(179)	$(3,480)	$ 369
15,044	7,311	583	22,938	64,161
$ 12,894	$ 6,160	$ 404	$ 19,458	$ 64,530

:heast Nebraska Joint Housing Agency

NE Nebraska Housing - FSS Coordinator	NE Nebraska Housing - FSS Home Coordinator	Total NE Nebraska Joint Housing Agency	Total Component Units
$ 38,970	$ 31,384	$ 293,335	$ 1,368,742
		-	112,033
		-	990,804
		3,433	7,900
		4,472	26,479
		-	2,806
$ 38,970	$ 31,384	$ 301,240	$ 2,508,764
$ 39,973	$ 31,384	$ 96,762	$ 1,182,275
		-	29,606
		3,052	12,091
		716	6,947
		2,129	17,495
		-	290,678
		682	4,245
		3,000	3,021
		169	1,681
		-	834,768
		187,216	191,056
		113	4,901
		8,035	81,865
		-	13,270
$ 39,973	$ 31,384	$ 301,874	$ 2,673,899
$(1,003)	-	$(634)	$(165,135)
-	-	-	-
$(1,003)	-	$(634)	$(165,135)
-	-	64,161	305,451
$(1,003)	-	$ 63,527	$ 140,316

SINGLE AUDIT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2006

Grantor/Program	Federal CFDA Number	Pass-Through Grantors' Number	Federal Disbursements/ Expenditures
Direct:			
DEPARTMENT OF COMMERCE			
Economic Development - Support for	11.302	05-83-04247	$ 24,494
Planning Organizations	11.302	05-83-04121	11,773
Total U. S. Department of Commerce			$ 36,267
DEPARTMENT OF AGRICULTURE			
Rural Business Opportunity Grant	10.773		$ 7,613
Indirect:			
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Federal Transit-Capital Investment Grants	20.500	03-0095-040-02	$ 131,673
Federal Transit-Capital Investment Grants	20.500	03-0103-040-04	47,079
Federal Transit-Capital Investment Grants	20.500	03-0098-040-03	44,525
Formula Grants for Non-Urbanized Areas	20.509	18-0024-040-03	141,240
Formula Grants for Non-Urbanized Areas	20.509	18-4027-040-06	170,121
State Planning and Research	20.515	06-MPO-SIMPCO	187,356
State Planning and Research	20.515	06-RPA-04	41,543
Public Transportation Research	20.514	26-0003-027-06	300
Public Transportation Research	20.514	26-0003-004-06	1,500
Training Fellowships	20.509	TF-2006-209	181
Training Fellowships	20.509	TF-2006-214	98
Training Fellowships	20.509	TF-2006-213	89
Training Fellowships	20.509	TF-2006-212	261
Total Iowa Department of Transportation			$ 765,966
Highway Planning and Construction - NE	20.205	SPR-PL-1(43)	$ 37,571
Highway Planning and Construction - SD	20.205	PL 0156(23)	31,297
Section 5311 - SD	20.509		34,974
Total Other State Department of Transportation			$ 103,842
Total U. S. Department of Transportation			$ 869,808

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2006

Grantor/Program	Federal CFDA Number	Pass-Through Grantors' Number	Federal Disbursements/ Expenditures
DEPARTMENT OF PUBLIC DEFENSE			
Iowa Department of Public Defense:			
Interagency Hazardous Materials Public Sector Training and Planning	20.703		$ 12,863
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Northeast Nebraska Joint Housing Agency:			
Section 8 Housing Choice Vouchers	14.871		$ 293,335
Total Federal Awards			$ 1,219,886

See Accompanying Note to Schedule of Expenditures of Federal Awards

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2006

Note 1 - BASIS OF PRESENTATION

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the Federal grant activity of Siouxland Interstate Metropolitan Planning Council. It is presented on the same basis of accounting as the financial statements, which is disclosed in Note 1 of the Notes to Financial Statements. For purposes of this report, the expenditures are also presented in accordance with Circular A-133, Audits of State, Local Governments and Non-Profit Organizations.

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INDEPENDENT AUDITORS' 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

Siouxland Interstate Metropolitan
Planning Council
Sioux City, Iowa

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units and each major fund of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, as of and for the year ended June 30, 2006, which collectively comprise the basic financial statements and have issued our report thereon dated October 19, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Siouxland Interstate Metropolitan Planning Council'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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

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

Henjes, Conner + Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
October 19, 2006

HENJES, CONNER &
WILLIAMS, P.C.
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Council
Siouxland Interstate Metropolitan
Planning Council
Sioux City, Iowa

Compliance

We have audited the compliance of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL 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 June 30, 2006. Siouxland Interstate Metropolitan Planning Council'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 Siouxland Interstate Metropolitan Planning Council's management. Our responsibility is to express an opinion on Siouxland Interstate Metropolitan Planning Council's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and 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 Siouxland Interstate Metropolitan Planning Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Siouxland Interstate Metropolitan Planning Council's compliance with those requirements.

In our opinion, Siouxland Interstate Metropolitan Planning Council 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 June 30, 2006.

Internal Control Over Compliance

The management of Siouxland Interstate Metropolitan Planning Council 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 Siouxland Interstate Metropolitan Planning Council's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

Henjes, Conner + Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
October 19, 2006

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2006

Part I: SUMMARY OF AUDITORS' RESULTS:

Financial Statements

Type of Auditors' Report Issued:	Unqualified	
Internal Control Over Financial Reporting:		
Material weakness(es) identified?	_____ Yes	__X__ No
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	__X__ None Reported
Noncompliance material to Financial statements noted?	_____ Yes	__X__ No

Federal Awards

Internal Control Over Major Programs:		
Material weakness(es) identified?	_____ Yes	__X__ No
Reportable condition(s) identified that are not considered to be material weaknesses?	_____ Yes	__X__ None Reported
Type of Auditors' Report Issued on Compliance for Major Programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ Yes	__X__ No

Major Programs:

CFDA Numbers	Name of Federal Program
11.302	Economic Development-Support for Planning Organizations
20.500	Federal Transit - Capital Investment Grants
20.509	Formula Grants for Non-Urbanized Areas

Dollar Threshold Used to Distinguish Between Type A and Type B Programs	$ 300,000	
Auditee Qualified as Low-Risk Auditee	__X__ Yes	_____ No

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2006

Part II: FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

None Reported

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2006

Part III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Reported