

UPPER EXPLORERLAND REGIONAL
PLANNING COMMISSION

FINANCIAL REPORT

JUNE 30, 2006

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
 Upper Explorerland Regional Planning Commission
 Postville, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Upper Explorerland Regional Planning Commission, as of June 30, 2006 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Commission'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, Chapter 11 of the Code of Iowa and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Upper Explorerland Regional Planning Commission, as of June 30, 2006, and the respective changes in financial position for the year 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 reports dated November 21, 2006 on our consideration of the internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an

audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 and 22 through 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires 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 opinion on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

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CERTIFIED PUBLIC ACCOUNTANTS

November 21, 2006

Management Discussion and Analysis of Upper Explorerland Regional Planning Commission (UERPC) as of June 30, 2006, as required by GASB 34 rules:

The Financial Statements of Upper Explorerland Regional Planning Commission (UERPC) consist of the operations of UERPC and the Workforce Investment Act (WIA) (WIA is job training and job retraining programs, along with the Promise Jobs program). These WIA programs are administered by UERPC. Additionally, along with all of the various programs that fall under UERPC, UERPC acts as the Fiscal Agent for the Iowa Workforce Development program in the Region 1 Employment and Training district, this program is listed in the audit as CSP. Programs that UERPC administers and that are not included in this audit report are the Upper Explorerland Regional Housing Authority (RHA). The RHA, as per HUD regulations, has its own audit and separate financial statements. The RHA audit is reviewed by UERPC management and the RHA Board. An unqualified opinion was issued on the audit of the RHA as of June 30, 2006. The same audit firm that did the UERPC audit completed the RHA audit.

Discussion of the IRP/RLF Loan Program of UERPC between July 1, 2005 and June 30, 2006 relating to lending losses of the Intermediary Relending Program and the Regional Loan Fund program.

During FY 06 two loans funded with Intermediary Relending Program (IRP) and Revolving Loan Fund (RLF) funds went into default. The financial results of these loan defaults were to cause \$118,610 to be charged against the IRP Reserve for Loan Loss and to cause \$70,783 to be charged against the RLF Loan Fund account.

The RLF loan portfolio does not maintain a reserve for loan loss and accordingly, the amount of RLF loan loss was reflected in the normal operating expense of UERPC for the year ended June 30, 2006.

Discussion of Statement of Revenues, Expenditures and Changes in Fund Balance – Government Funds, Pages 9 and 10, Exhibit D

Net revenues in the General Fund exceed expenses by \$10,056 and Other Nonmajor Governmental Funds revenue exceeded expenses by \$4,138. The Net RLF loss of \$64,060 and the Net IRP loss of \$8,608 reduced Net Change in Fund Balances to a negative \$58,474 for the Commission for year ending June 30, 2006. Included in the operating expenses of UERPC for the FY 06 year was the expense for a new roof in the amount of \$32,960.

Recent Historical Ending Fund Balances for UERPC are as follows:

June/99 Ending Fund Balance	\$232,109
June/00 Ending Fund Balance	\$266,421
June/01 Ending Fund Balance	\$305,837
June/02 Ending Fund Balance	\$433,570
June/03 Ending Fund Balance	\$494,079
June/04 Ending Fund Balance	\$494,722

June/05 Ending Fund Balance	\$560,213
June/06 Ending Fund Balance	\$562,754

The financial impact of the RLF Loan Losses does not directly affect the “General Government” Balance Sheet, specifically the line item of Total Fund Equity, as found on pages 7 and 8 – Exhibit C of the Audit. The RLF account was funded by an EDA grant along with local match funds in the early 1990’s. The impact of the RLF loss reduces the amount of funds available to loan out from the RLF program.

Overview of the Financial Statements of UERPC and Discussion of IRP Loan Program

Total Assets were \$3,383,253. Of this, \$1,207,306 was Cash, Cash Equivalent and Time Certificate of Deposit. Accounts receivable (AR) federal sources was \$266,374, AR (other) was \$210,532. Interest receivable was \$5,188. Loans receivable was \$1,496,986 and Fixed Assets (net) was \$196,867. Total Assets were \$3,383,253.

Total Liabilities were \$1,448,929. These liabilities were made up of: Accounts payable \$252,103; Accrued interest payable \$2,899; Accrued leave additive \$59,013; Deferred income \$78,222; Loan payment due within one year \$48,820; Loan balance payable due in more than one year \$1,007,872. This loan is repayable to the USDA and funded the Intermediary Relending program (IRP) for UERPC.

The Intermediary Relending Program (IRP) consists of a loan balance due to the USDA totaling \$1,056,692. This loan funds the lending activity of the IRP. The Commission is obligated to repay this loan in annual payments regardless of whether or not the loans made by these funds are in a repayment capacity or not. In other words, if all the loans made by the IRP program were to become insolvent, the Commission would still be obligated to repay the USDA debt. Payment of this loan would have to come from other sources than the income earned from the IRP lending program.

USDA requires that the Commission maintain a 6% of outstanding IRP Loans in a Loan Loss Reserve. The balance of this Loan Loss Reserve at this writing is \$61,645. This balance is after the charge off portion of the Oelwein Industries Loan.

Net Assets were \$1,934,324. The net assets are the difference between the Total Assets and the Total Liabilities. Of this \$1,934,324 were classified Net Assets. Net Assets were made up of the following restricted portions: HAWC Lending Account - \$54,095; UERPC Revolving Loan Fund - \$490,909; Intermediary Relending program Loan Fund - \$625,385; Funds reserved by the Board: \$110,000 for possible use on a future housing program; Car replacement funds - \$29,629. Investments in fixed assets were \$196,867. Unreserved Net Assets equaled \$427,439.

Statement of Activities – Year ended June 30, 2006, page 5 and 6 - Exhibit B

The statement of activities presents information illustrating how UERPC’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon

as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Governmental Funds – Balance Sheet – Pages 7 and 8 Exhibit C
Statement of Revenues, Expenditures and Changes in Fund Balance – Government Funds – Pages 9 and 10 Exhibit D

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Statement of Revenues, Expenditures and Changes in Fund Balance – Government Funds. In the main these two exhibits reflect the status of the Government funds in relation to their equity position relative to that particular account as well as the revenues and expenditures of those particular accounts.

Management Discussion and Analysis by:

Tom W. Masey, Executive Director, Upper Explorerland Regional Planning Commission

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

STATEMENT OF NET ASSETS

As of June 30, 2006

	<u>Totals</u>
ASSETS	
Cash and cash equivalents	\$ 1,107,306
Certificate of deposit	100,000
Accounts receivable, federal sources	266,374
Accounts receivable, other	210,532
Interest receivable	5,188
Loans receivable	1,496,986
Fixed assets(net)	<u>196,867</u>
TOTAL ASSETS	<u><u>\$ 3,383,253</u></u>
LIABILITIES	
Accounts payable	\$ 252,103
Accrued interest payable	2,899
Accrued leave additive	59,013
Deferred income	78,222
Noncurrent liabilities:	
Due within one year:	
Loan payable	48,820
Due in more than one year:	
Loan payable	<u>1,007,872</u>
TOTAL LIABILITIES	<u>1,448,929</u>
NET ASSETS	
Investment in fixed assets	196,867
Fund balance:	
Unreserved	427,439
Reserved by the board:	
CGOI	110,000
Car replacement	29,629
Restricted Fund Balance	<u>1,170,389</u>
TOTAL NET ASSETS	<u>1,934,324</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 3,383,253</u></u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2006

Functions / Programs:	Expenses	Program Receipts	
		Charges for Service	Operating Grants Contributions Restr. Int.
Governmental activities:			
Salaries	\$ 581,030	220,673	360,357
Stipend	78,080	-	78,080
Employee benefits	197,045	57,480	139,565
Travel and per diem	31,961	4,097	27,864
Conferences and training	1,420	300	1,120
Client Training	290,630	-	290,630
Training support	6,556	-	6,556
Other support	104,059	23,552	80,507
Equipment purchase/lease	10,616	1,052	9,564
Security deposits	63,045	63,045	-
Office/ office supplies	1,192	1,015	177
Allocated costs	193,524	65,489	128,035
Bad Debt Expense	70,783	-	-
Interest	10,864	-	10,864
Grants/Programs	1,145,556	42,205	1,103,351
Depreciation	15,391	-	-
Total governmental activities	\$ 2,801,752	478,908	2,236,670
General Revenues (Uses):			
Unrestricted interest			
Other Income			
Total general receipts			
Change in Net Assets			
Write Off Loan Receivable			
Transfers and Adjustments			
Net assets beginning of year			
Net assets end of year			
Net Assets			
Restricted:			
Investment in Fixed Assets			
HAWC			
Revolving Loan Fund			
Intermediary Relending Program			
Unrestricted			

EXHIBIT B

Net (Expense)	
Revenue and	
Changes in	
Net Assets	
<u>Governmental</u>	
<u>Activities</u>	
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	-
	(70,783)
	-
	-
	(15,391)
	<u>(86,174)</u>
	10,270
	70,484
	<u>80,754</u>
	(5,420)
	(118,610)
	9,210
	<u>2,049,144</u>
	<u><u>\$ 1,934,324</u></u>

\$	196,867
	54,095
	490,909
	625,385
	567,068
	<u>567,068</u>
\$	<u><u>1,934,324</u></u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
GOVERNMENTAL FUNDS
BALANCE SHEET
 June 30, 2006

	General	Special Revenue		
	Government	CSP	RLF	IRP
ASSETS				
Cash and cash equivalents	\$ 352,127	97	44,134	663,841
Certificate of deposit	100,000	-	-	-
Accounts receivable, federal	44,436	151,903	-	-
Accounts receivable, other	194,618	15,914	928	-
Interest receivable	768	-	-	-
Loans receivable	-	-	449,252	1,028,460
TOTAL ASSETS	\$ 691,949	167,914	494,314	1,692,301
LIABILITIES				
Accounts payable	\$ 14,399	167,914	3,405	7,254
Accrued interest payable	-	-	-	2,899
Accrued leave additive	35,548	-	-	-
Deferred income	74,934	-	-	-
TOTAL LIABILITIES	124,881	167,914	3,405	10,153
FUND EQUITY				
Fund balance:				
Unreserved	427,439	-	-	-
Reserved by the board:				
CGOI	110,000	-	-	-
Car replacement	29,629	-	-	-
Restricted:				
Restricted Fund Balance	-	-	490,909	1,270,503
Debt Reserve	-	-	-	61,645
Local Match	-	-	-	350,000
TOTAL FUND EQUITY	567,068	-	490,909	1,682,148
TOTAL LIABILITIES & FUND EQUITY	\$ 691,949	167,914	494,314	1,692,301

TOTAL FUND EQUITY PER EXHIBIT C

Total net assets reported for governmental activities in the statement of net assets are different from the amount reported above as total governmental fund's fund balance because: Capital assets used in government activities are not financial resources and hence not reported in the fund statements. Amounts reported for governmental activities in the statement of net assets: Governmental capital assets net of depreciation

Long term liabilities are not due in the current period and therefore not reported in the fund statements. Long term liabilities reported in the statement of net assets that are not reported in the fund balance sheet are:

Loans payable

NET ASSETS OF GOVERNMENTAL ACTIVITIES-EXHIBIT A

EXHIBIT C

HAWC	WIA	Totals
32,740	14,366	1,107,305
		100,000
	70,035	266,374
		211,460
10		778
22,757		1,500,469
55,507	84,401	3,186,386
1,412	57,648	252,032
	-	2,899
	23,465	59,013
	3,288	78,222
1,412	84,401	392,166
-	-	427,439
-	-	110,000
-	-	29,629
54,095	-	1,815,507
-	-	61,645
-	-	350,000
54,095	-	2,794,220
55,507	84,401	3,186,386
		\$ 2,794,220
		196,867
		(1,056,763)
		\$ 1,934,324

See notes to financial statements

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE-GOVERNMENT FUNDS**
 Year Ended June 30, 2006

REVENUES	General Fund	Special Revenue	
		WIA	CSP
Intergovernmental:			
Federal	\$ -	-	1,786,260
State	-	-	62,169
Local	511,653	-	-
Miscellaneous:			
Interest	10,270	-	-
Other	-	300	-
Total revenues	<u>521,923</u>	<u>300</u>	<u>1,848,429</u>
EXPENDITURES			
Salaries	220,673	254,668	-
Stipend	-	-	-
Employee benefits	57,480	99,346	-
Travel and per diem	4,097	23,313	-
Conferences and training	300	-	-
Client Training	-	290,630	-
Training support	-	6,556	-
Other support	23,551	67,746	9,138
Equipment purchase/lease	34,012	7,487	-
Security deposits	63,045	-	-
Office/ office supplies	1,015	-	-
Allocated costs	65,489	91,211	-
Bad Debt Expense	-	-	-
Interest	-	-	-
Grants/Programs	42,205	-	998,634
Long term debt principal	-	-	-
Total expenditures	<u>511,867</u>	<u>840,957</u>	<u>1,007,772</u>
NET REVENUES (EXPENDITURES)	10,056	(840,657)	840,657
TRANSFERS IN (OUT):			
Special Revenue:			
Fiscal Agent for CSP	-	840,657	-
WIA	-	-	(840,657)
NET CHANGE IN FUND BALANCES	10,056	-	-
FUND BALANCE, beginning	560,213	-	-
BAD DEBT WRITEOFF	-	-	-
CAR REPLACEMENT	(5,783)	-	-
ADJUSTMENTS/TRANSFERS	<u>(1,732)</u>	-	-
FUND BALANCE, ending	<u>\$ 562,754</u>	-	-

EXHIBIT D

IRP	RLF	Other Nonmajor Gov Fds	Total
-	-	170,289	1,956,549
-	-	9,375	71,544
-	-	107,092	618,745
75,879	24,424	1,188	111,761
4,429	1,055	31,949	37,733
<u>80,308</u>	<u>25,479</u>	<u>319,893</u>	<u>2,796,332</u>
23,772	11,419	70,498	581,030
-	-	78,080	78,080
10,411	2,875	26,933	197,045
-	-	4,551	31,961
-	-	1,120	1,420
-	-	-	290,630
-	-	75,044	81,600
-	-	-	100,435
-	-	2,077	43,576
-	-	-	63,045
-	-	177	1,192
8,384	4,462	23,978	193,524
-	70,783	-	70,783
10,864	-	-	10,864
-	-	33,297	1,074,136
35,485	-	-	35,485
<u>88,916</u>	<u>89,539</u>	<u>315,755</u>	<u>2,854,806</u>
(8,608)	(64,060)	4,138	(58,474)
-	-	-	840,657
-	-	-	(840,657)
(8,608)	(64,060)	4,138	(58,474)
1,809,366	557,857	54,271	2,981,707
(118,610)	-	-	(118,610)
-	-	-	(5,783)
-	(2,888)	-	(4,620)
<u>1,682,148</u>	<u>490,909</u>	<u>58,409</u>	<u>2,794,220</u>

See notes to financial statements

EXHIBIT E

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES**
 For The Year Ended June 30, 2006

Net change in fund balances-total governmental funds governmental funds-Exhibit D	\$ (58,474)
Amounts reported for governmental activities in the statement of activities are different because:	
The acquisition of capital assets are reported in the governmental funds as expenditures. However for governmental activities those costs are shown in statement of net assets and allocated over their esimated useful lives as annual depreciation expenses in the statement of activities. Assets disposed of for less than book value (cost less accumulated depreciation) are recorded as losses on disposition of fixed assets. Disposals for more than book value are recorded as gains on disposition of fixed assets.	
	32,960
Depreciation expense reported in the statement of activities	(15,391)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.	<u>35,485</u>
Change in net assets-Statement of Activities-Exhibit B	<u><u>\$ (5,420)</u></u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

Upper Explorerland Regional Planning Commission was created under Chapter 473A and 28E, State Code of Iowa to serve the counties of Allamakee, Clayton, Fayette, Howard, and Winneshiek, Iowa.

The commission is responsible for making comprehensive studies and plans for the development of the five county area. The commission is governed by a Board of Commissioners appointed from the five counties. It's programs are financed from federal and state grants and contracts, county appropriations, and interest earned on investments.

In addition, the commission administers various Community Development Block Grant programs and is responsible for administering the various programs established under the Workforce Investment Act and also provides special services in the form of printing, reproduction, and mapping.

The Commission through it's Revolving Loan Fund programs and Intermediary Relenting Program makes low interest loans available to business in the five county area.

The Commission acts as Fiscal Agent for Iowa Workforce Development Department. It performs accounting functions, and receives and disburses funds on behalf of the Coordinating Service Provider.

B. Measurement Focus and Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under capital leases are reported as other financing sources.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

C. Basis of Presentation

Commission-wide Statements-The Statement of Activities and Net Assets are reported in two categories:

Restricted Net Assets result when constraints placed on net asset use are either externally imposed or imposed by law, grant or contract.

Unrestricted Net Assets consist of net assets that do not meet the definition of the preceding category. Unrestricted Net Assets may have constraints on resources imposed by management or the board of directors, which can be removed or modified.

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

Fund Financial Statements-Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

The Commission reports the following major governmental funds:

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

The Special Revenue WIA Fund accounts for activities associated with providing job training and retraining programs.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

The Special Revenue CSP Fund accounts for the receipts and disbursements of the Commission in its capacity as Fiscal Agent for Iowa Workforce Development Department Sources include grants from the federal government.

The Special Revenue IRP Fund accounts for the receipts and disbursements of the Intermediary Relending Program. The program makes low interest loans to businesses in the five county area.

The Special Revenue RLF Fund accounts for the receipts and disbursements of the Revolving Loan Fund. The program makes low interest loans in the five county area.

D Cash Equivalents

The Commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2006.

E Budgets and Budgetary Accounting

Upper Explorerland Regional Planning Commission does prepare financing and spending budgets for programs on a project basis. The Commission is not required to adopt a legal budget under state law.

F Allocation of Fringe Benefits and Indirect Costs

WIA division of UERPC charges all payroll directly to grants based on actual expenditures in accordance with the Office of Management and Budget Circular A-87. Fringe benefits are distributed to the various grant/program areas based on a payroll percentage.

The Commission division of UERPC allocates indirect costs to all grants in accordance with the Office of Management and Budget Circular A-87. Fringe benefits are distributed to the various grant-program areas based on a total payroll percentage. Total payroll percentage is determined by first obtaining a percentage of the administrative staff charged directly to grant/program areas, and adding "pool salaries" which are allocated based on the direct salary percentage.

Indirect costs are allocated based on the direct payroll percentages.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

2) FISCAL AGENT

Effective July 1, 1998, the Commission entered into a contract with Iowa Workforce Development Department, to act as Fiscal Agent. As the Fiscal Agent, the Commission will perform accounting functions and receive and disburse funds on behalf of the Coordinating Service Provider. They are to ensure compliance with applicable audit requirements on funds received under the contract, and to provide a report and accounting of all expenditures as they relate to the contract.

3) CHANGE IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2006</u>
Fixed Assets	\$225,217	48,327	-	273,544
Accumulated Depreciation	<u>61,286</u>	<u>15,391</u>	<u>-</u>	<u>76,677</u>
Net	<u>163,931</u>	<u>32,936</u>	<u>-</u>	<u>196,867</u>

The Commission had no capitalized interest costs for the year ended June 30, 2006.

4) LEAVE ADDITIVE EMPLOYEE BENEFIT

The Commission's leave additive consists of vacation leave and compensatory overtime earned. Leave additive is calculated monthly and charged to the various programs. A liability account is used to offset these charges. When leave time is actually taken, it is then charged against the leave additive liability account. The total leave additive charged to the programs for the year ended June 30, 2006, was \$64,709.

Accrued Leave Additive at June 30, 2006 was \$59,013.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

5) PENSION AND RETIREMENT BENEFITS

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

Plan members are required to contribute 3.70% of their annual salary and the Commission is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by State statute. The Commission's contribution to IPERS for the year ended June 30, 2006 was \$33,803.

6) COST ALLOCATION PLAN

Upper Explorerland Regional Planning Commission has adopted a cost allocation plan to allocate indirect costs to the various programs. Any cost, which cannot be assigned directly to a program, is allocated based upon this cost allocation plan. Indirect costs allocated to the various programs for the year ended June 30, 2006, totaled \$193,524.

7) SUPPORT FROM GOVERNMENTAL UNITS

The Commission receives substantially all of its support from Federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, would have a significant effect on the Commission's programs and activities.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

8) RESTRICTED FUND BALANCE

The Commission's Restricted Fund Balance is made up of the following:

Fund Balance-HAWC		\$ 54,095
Fund Balance-RLF		490,909
Fund Balance-Local Match	350,000	
Fund Balance-Loan Pool	213,740	
Fund Balance-Reserve for Bad Debt	<u>61,645</u>	
Total Fund Balance-IRP		<u>625,385</u>
TOTAL RESTRICTED FUND BALANCE-EXHIBIT A		<u>\$1,170,389</u>

See Note 12 for the amounts required for the Reserve for Bad Debts.

These funds may be used only for the purpose of transferring to the General Operating Account amounts, not more than actual loan losses and to pay principal and interest on the IRP Promissory Note when there are insufficient funds in the General Operating Account.

Investment income derived from any account shall remain a part of such account.

9) CONTINGENT LIABILITY - SICK LEAVE

Commission employees accumulate sick leave hours for subsequent use. These accumulations are not recognized as expenditure by the Commission until used.

Sick leave is only payable when used and is not available to employees upon termination, retirement or death. After the maximum allowable sick leave of 720 hours (90 days) is accumulated, additional sick leave earned is then converted to annual leave at a 3 to 1 ratio. Three hours of sick leave earned is then equal to one hour of annual leave.

10) LOANS RECEIVABLE

Loans receivable consist of the following:

Loans under the HAWC Program	\$ 22,757
Loans under the Intermediary Relending Program (See note 12)	1,024,976
Loans under the Revolving Loan Program (See note 13)	<u>449,253</u>
	<u>\$ 1,496,986</u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

11) UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY

The Commission contracts for the administration of Upper Explorerland Regional Housing Authority (hereinafter call "Authority"). This is a non-profit organization that is an agent for landlords who rent housing facilities to low income individuals with assistance from the Federal government. The Authority operates in Allamakee, Clayton, Fayette, Howard and Winneshiek counties of northeast Iowa. The Commission has three full time employees that operate the Authority. Tom Masey, executive director of the Commission, is also the director of the Authority. The Commission bills the Authority for direct salaries, fringe benefits and overhead. During the fiscal year ended June 30, 2006, this amounted to \$183,420.

The Authority is audited separately and a report has been issued under separate cover.

12) INTERMEDIARY RELENDING PROGRAM (IRP)

On March 12, 1993, UERPC entered into a loan agreement with the Farmers Home Administration. The purpose of the loan is to provide "low interest financing to new and expanding business for which credit is not otherwise available or terms and conditions are not available which would permit completion and/or the successful operation of the proposed business activities." In order to secure this loan, UERPC received \$250,000 in capital contributions from the five counties it represents. The loan is for \$1,000,000 and will be for 30 years at one percent interest per annum. Principal payments were deferred for the first three years of the loan and the first amortized annual payment was made March 29, 1997. The balance of this loan at June 30, 2006, was \$656,725.

On March 20, 2003 Commission entered into an agreement with Rural Development, United States Department of Agriculture for an additional \$400,000 loan. In order to secure this loan the Commission had to contribute \$100,000. The loan is for 400,000 and will be paid over 30 years at one percent interest per annum. Principal payments were deferred for the first three years. Interest only to be paid on March 20 of the years 2004, 2005 and 2006. First payment of principal and interest to be March 20, 2007 and thereafter on every March 20 for twenty seven years. The payment amount is \$16,980. The balance at June 30, 2006 was \$399,967.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

As part of this agreement the Commission agreed to combine the two loans for purposes of establishing a Reserve for Bad Debt only. This Reserve for Bad Debt is based on the assumption that loans receivable will approximate the original loan, or loans, plus intermediary contributions. Therefore when fully funded, the Reserve for Bad Debt should be approximately six percent of \$1,750,000 or \$105,000. Per the agreement the Commission should began to accumulate funds in the Reserve in accordance with their delinquency or loss records, so that the six percent requirement can be reached within three years. This Reserve is to be maintained at this level thereafter. Balance of the Reserve for Bad Debt at June 30, 2006 was \$61,645.

13) REVOLVING LOAN FUND (RLF)

In May, 1990, UERPC was awarded \$375,000 in Federal funds, by the Economic Development Administration (EDA) and then supplied a local match of \$125,000 to develop a \$500,000 Regional Revolving Loan Fund Program to promote business development. The Commissions' obligation to the Federal government continues as long as RLF assets, in the form of cash, receivables, personal and real property, and notes or other financial instruments developed through the use of the funds, continue to exist. The agreement states in part that "If EDA determines that a grant recipient is failing to meet his obligation, the Agency will assert its equitable reversionary interest in the RLF assets."

14.) AMERICORPS

The AmeriCorps is an indirect grant from the Corporation for National and Community Services, passed thru the Iowa Commission on Volunteer Service. Contract #04-AF-18 was finalized during the year, see Schedule 8. Contract #05-AF-18 was awarded September 1, 2005 with a scheduled completion date of August 31, 2006. The In-Kind match is comprised of hours worked by site supervisors times \$19 per hour.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

15) INDEBTEDNESS

There is a loan agreement with Rural Development, United States Department of Agriculture, with an original balance of \$1,000,000. Interest rate 1%. Payments are \$42,446 for Thirty years. Balance at June 30, 2006 was \$656,725.

There is a loan agreement with Rural Development, United States Department of Agriculture with an original balance of \$400,000. Interest rate of 1%. Payments are \$16,980 for Thirty years. Balance at June 30, 2006 was \$399,967.

Maturity Schedule:

June 30, 2007	\$ 48,820
June 30, 2008	49,308
June 30, 2009	49,800
June 30, 2010	50,799
June 30, 2011	50,937
Subsequent Years	<u>807,028</u>
	<u>\$1,056,692</u>

16) LITIGATION

UERPC had no pending or threatened litigation at June 30, 2006.

17) OPERATING LEASES

The Commission leases office space in New Hampton, Iowa on an annual basis. The current lease is \$266 per month and expires July 31, 2006. New lease for year ending July 31, 2007 will be \$316 per month.

The Commission also leases office space in Decorah, Iowa on an annual basis. The current lease is \$392 per month and expires July 31, 2007. There is a five-year option to extend this lease for a negotiable rental price.

The Commission has a two year lease for office space in Waukon, Iowa. The lease expires June 30, 2008. The lease is \$75 per month, but the Commission subleases space to Northeast Iowa Community Action Corporation for \$30 per month. Sublease is for twenty four months ending June 30, 2008.

The Commission has a six year lease for office space in Oelwein, Iowa. The lease expires July 31, 2006. The lease is

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

for \$351 per month. There is no signed lease for the period after July 31, 2006.

Future minimum lease payments are:

June 30,	New <u>Hampton</u>	<u>Decorah</u>	<u>Waukon</u>	<u>Oelwein</u>
2007	\$3,742	4,704	900	351
2008	316	-	900	-
2009	-	-	-	-
	<u>\$3,493</u>	<u>4,704</u>	<u>900</u>	<u>351</u>

SUPPLEMENTARY INFORMATION

SCHEDULE 1

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
For the Year Ended June 30, 2006

REVENUES	Actual	Budget	Variance Favorable (Unfavorable)
Commission			
Federal	\$ 252,045	95,052	156,993
Iowa-COG Assistance	9,375	9,375	-
Per Capita	45,267	45,267	-
Regional Housing Authority	183,420	188,600	(5,180)
Fees and Other	340,203	268,003	72,200
Interest	10,270	6,400	3,870
	<u>840,580</u>	<u>612,697</u>	<u>227,883</u>
HAWC			
Interest	1,188	-	1,188
Other	48	-	48
	<u>1,236</u>	<u>-</u>	<u>1,236</u>
IRP			
Interest	75,879	-	75,879
Other	4,429	-	4,429
	<u>80,308</u>	<u>-</u>	<u>80,308</u>
RLF			
Interest	24,424	-	24,424
Other	1,055	-	1,055
	<u>25,479</u>	<u>-</u>	<u>25,479</u>
CSP			
Federal	1,786,260	2,139,422	(353,162)
State	62,169	64,331	(2,162)
	<u>1,848,429</u>	<u>2,203,753</u>	<u>(355,324)</u>
WIA			
Federal	-	-	-
Other	300	-	300
	<u>300</u>	<u>-</u>	<u>300</u>
TOTAL REVENUE	<u><u>2,796,332</u></u>	<u><u>2,816,450</u></u>	<u><u>(20,118)</u></u>

EXPENDITURES

Commission			
Salaries	391,071	391,270	199
Employee Benefits	27,017	52,430	25,413
Americorp Stipend	78,080	-	(78,080)
Americorp FICA	5,973	-	(5,973)
Other Americorp Expense	71,421	-	(71,421)
Lands End Education Program	30,921	-	(30,921)

SCHEDULE 1
(continued)

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
For the Year Ended June 30, 2006

Office	1,177	1,500	323
Equipment	3,119	5,000	1,881
Communications	197	-	(197)
Conferences/Training	1,420	2,500	1,080
Advertising	298	500	202
Dues & Subscriptions	702	1,500	798
Professional Fees	20,824	5,000	(15,824)
Printing and Reproduction	52	250	198
Repairs & Maintenance	273	1,000	727
Postage	1,038	1,500	462
Interest	10,864	-	(10,864)
Miscellaneous	471	500	29
Depreciation	15,390	-	(15,390)
Bad Debt Expense	70,783	-	(70,783)
Allocated Costs	102,313	124,930	22,617
	<u>953,024</u>	<u>607,755</u>	<u>(345,269)</u>
CSP			
Program Expenses	998,633	1,199,139	200,506
Administration	9,138	9,138	-
	<u>1,007,771</u>	<u>1,208,277</u>	<u>200,506</u>
WIA			
Salaries	254,668	259,600	4,932
Employee Benefits	99,346	90,900	(8,446)
Travel/Per Diem	23,313	11,000	(12,313)
Client Training	290,630	303,000	12,370
Training Support	6,556	6,000	(556)
Other Support	67,746	75,000	7,254
Equipment Purchased	7,487	7,900	413
Allocated Costs	91,211	89,000	(2,211)
	<u>840,957</u>	<u>842,400</u>	<u>1,443</u>
TOTAL EXPENDITURES	<u>2,801,752</u>	<u>2,658,432</u>	<u>(143,320)</u>
Deficiency of Revenues over Expenditures	(5,420)	158,018	(163,438)
Fund Balance, Beginning of Year	2,049,144	2,049,144	-
Write Off Bad Debt	(118,610)	(118,610)	-
Transfers and Adjustments	9,210	9,209	1
Fund Balance, End of Year	<u>\$ 1,934,324</u>	<u>2,097,761</u>	<u>(163,437)</u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2006

REVENUES	HAWC	Economic Devel. Services	Department of Trans- poration	Americorp
Intergovernmental				
Federal	\$ -	51,000	21,515	98,144
State	-	-	-	-
Local	-	17,065	5,380	81,901
Miscellaneous				
Interest	1,188	-	-	-
Other	48	-	-	-
Total revenues	<u>1,236</u>	<u>68,065</u>	<u>26,895</u>	<u>180,045</u>
EXPENDITURES				
Salaries	-	38,881	14,661	12,844
Stipend	-	-	-	78,080
Employee benefits	-	11,914	4,482	9,490
Travel and per diem	-	2,043	1,372	50
Conferences and training	-	555	-	-
Other support	-	1,155	171	71,421
Equipment purchase/ lease	-	90	1,900	-
Office/Office Supplies	-	31	-	120
Allocated costs	1,411	13,396	4,309	3,726
Long term debt principal	-	-	-	-
Interest	-	-	-	-
Grants/Programs	-	-	-	-
Total expenditures	<u>1,411</u>	<u>68,065</u>	<u>26,895</u>	<u>175,731</u>
NET REVENUES				
(EXPENDITURES)	<u>(175)</u>	<u>-</u>	<u>-</u>	<u>4,314</u>
FUND BALANCE, beginning	54,270	-	-	-
OTHER FINANCING SOURCES				
Loan Proceeds	-	-	-	-
FUND BALANCE, ending	<u>\$ 54,095</u>	<u>-</u>	<u>-</u>	<u>4,314</u>

See notes to financial statemnts

SCHEDULE 2

C.O.G. Assist.	One Stop	Lands End	Total Nonmajor Gov Fds
-	-	-	170,659
9,375	-	-	9,375
-	2,376	-	106,722
-	-	-	1,188
-	-	31,901	31,949
9,375	2,376	31,901	319,893
3,260	-	852	70,498
-	-	-	78,080
946	-	101	26,933
1,086	-	-	4,551
565	-	-	1,120
2,297	-	-	75,044
87	-	-	2,077
26	-	-	177
1,108	-	27	23,977
-	-	-	-
-	-	-	-
-	2,376	30,921	33,297
9,375	2,376	31,901	315,754
-	-	-	4,139
-	-	-	54,270
-	-	-	-
-	-	-	58,409

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE**
 WORKFORCE INVESTMENT ACT
 Year Ended June 30, 2006

	1-W-01-FR-0					
	WIA Title I Admin	WIA Adult	WIA Youth in School	WIA Youth- Out of School	WIA Dislocated Worker	WIA SWA Incentive
REVENUES						
Intergovernmental						
Federal	\$ -	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES						
Salaries	27,076	36,397	36,819	20,698	37,031	7,741
Employee benefits	10,756	13,858	16,315	8,343	14,201	2,872
Travel/ per diem	1,873	1,110	2,248	589	15,067	39
Client training	-	93,587	56,561	13,086	68,276	38,339
Training support	-	309	494	170	1,212	82
Other support	5,800	7,396	11,184	4,297	7,957	1,967
Equipment purchased	401	1,004	901	447	864	208
Allocated costs	16,747	15,005	16,218	7,809	14,104	3,556
Total expenditures	62,653	168,666	140,740	55,439	158,712	54,804
NET EXCESS REVENUES (EXPENDITURES)	(62,653)	(168,666)	(140,740)	(55,439)	(158,712)	(54,804)
TRANSFERS IN :						
Special revenue						
CSP	62,653	168,666	140,740	55,439	158,712	54,804
	62,653	168,666	140,740	55,439	158,712	54,804
NET EXCESS REVENUES AND TRANSFERS IN	-	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-	-
FUND BALANCE END OF YEAR	\$ -	-	-	-	-	-

SCHEDULE 3

Total WIA	Promise Jobs	Lands End	Total Contract 1-W-01 FR-0	Tyson E.I.	School to Work	Total
-	-	-	-	-	-	-
-	-	-	-	-	300	300
-	-	-	-	-	300	300
165,762	88,053	783	254,598	-	70	254,668
66,345	32,647	335	99,327	-	19	99,346
20,926	2,387	-	23,313	-	-	23,313
269,849	-	19,191	289,040	1,590	-	290,630
2,267	3,744	-	6,011	342	203	6,556
38,601	24,920	60	63,581	4,157	8	67,746
3,825	3,662	-	7,487	-	-	7,487
73,439	17,419	353	91,211	-	-	91,211
641,014	172,832	20,722	834,568	6,089	300	840,957
(641,014)	(172,832)	(20,722)	(834,568)	(6,089)	-	(840,657)
641,014	172,832	20,722	834,568	6,089	-	840,657
641,014	172,832	20,722	834,568	6,089	-	840,657
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

SCHEDULE 4

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**
FISCAL AGENT for COORDINATING SERVICE PROVIDER
Year Ended June 30, 2006

	#1-W-01 FR-0 Fiscal Agent	#6-W-PF RR-0-07 Tyson Early Intervention	Total Coordinating Service Provider
REVENUES			
Intergovernmental			
Federal	\$ 1,780,171	6,089	1,786,260
State	62,169	-	62,169
Total revenues	<u>1,842,340</u>	<u>6,089</u>	<u>1,848,429</u>
EXPENDITURES			
Programs	998,634		998,634
Administration	9,138	-	9,138
Total expenditures	<u>1,007,772</u>	<u>-</u>	<u>1,007,772</u>
NET EXCESS REVENUES (EXPENDITURES)	<u>834,568</u>	<u>6,089</u>	<u>840,657</u>
TRANSFERS IN (OUT):			
Special Revenue:			
WIA	(834,568)	(6,089)	(840,657)
	<u>(834,568)</u>	<u>(6,089)</u>	<u>(840,657)</u>
NET EXCESS REVENUES AND TRANSFERS OUT	-	-	-
FUND BALANCE, beginning	-	-	-
DUE FUNDING SOURCE	-	-	-
FUND BALANCE, ending	<u>\$ -</u>	<u>-</u>	<u>-</u>

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FISCAL AGENT for COORDINATING SERVICE PROVIDER
 CONTRACT # 1-W-01-FR-0
 Year Ended June 30, 2006

	Adminis- tration	Workforce Investment Act	Promise Jobs	General Fund- Surcharge	IWD P.J.	Re- Employment	Wagner Peyser
REVENUES							
Intergovernmental							
Federal	\$ -	1,212,302	381,491	-	34,271	15,656	31,872
State	9,138	-	-	49,531	-	-	-
Total revenues	9,138	1,212,302	381,491	49,531	34,271	15,656	31,872
EXPENDITURES							
Programs-E.C.I.A.	-	571,288	208,659	-	-	-	-
Programs-I.W.D.	-	-	-	49,531	34,271	15,656	31,872
Administration	9,138	-	-	-	-	-	-
Total expenditures	9,138	571,288	208,659	49,531	34,271	15,656	31,872
NET EXCESS REVENUES (EXPENDITURES)	-	641,014	172,832	-	-	-	-
TRANSFERS IN (OUT):							
Special Revenue:							
WIA	-	(641,014)	(172,832)	-	-	-	-
	-	(641,014)	(172,832)	-	-	-	-
NET EXCESS REVENUES AND TRANSFERS OUT	-	-	-	-	-	-	-
FUND BALANCE, beginning	-	-	-	-	-	-	-
FUND BALANCE, ending	\$ -	-	-	-	-	-	-

SCHEDULE 5

Unemployment Insurance	Work Keys	Disabled Veteran's Outreach	Color Box	Lands End	Navigator	Rapid Response	TAA	Total Contract 1W-01-FR-0
28,385	-	7,181	39,899	20,722	4,464	1,788	2,139	1,780,170
-	3,500	-	-	-	-	-	-	62,169
28,385	3,500	7,181	39,899	20,722	4,464	1,788	2,139	1,842,339
-	-	-	-	-	-	-	-	779,947
28,385	3,500	7,181	39,899	-	4,464	1,788	2,139	218,686
-	-	-	-	-	-	-	-	9,138
28,385	3,500	7,181	39,899	-	4,464	1,788	2,139	1,007,771
-	-	-	-	20,722	-	-	-	834,568
-	-	-	-	(20,722)	-	-	-	(834,568)
-	-	-	-	(20,722)	-	-	-	(834,568)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

SCHEDULE 6

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS**

DEPARTMENT OF TRANSPORTATION

GRANT NO. 06RPA-01

Federal Transit Administration CFDA#20.515

Grant Period July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 21,515	21,515	-
Local	<u>5,379</u>	<u>5,381</u>	<u>2</u>
	<u>\$ 26,894</u>	<u>26,896</u>	<u>2</u>
EXPENDITURES			
Program	\$ 21,515	21,515	-
Local	<u>5,379</u>	<u>5,381</u>	<u>2</u>
	<u>\$ 26,894</u>	<u>26,896</u>	<u>2</u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS**
DEPARTMENT OF COMMERCE
AWARD NUMBER # 05-83-04143
SUPPORT FOR PLANNING ORGANIZATIONS CFDA# 11.302
Grant Period July 1, 2005 to June 30, 2006

	<u>Budget</u>	<u>Total</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 51,000	51,000	-
Local	17,000	17,065	65
	<u>\$ 68,000</u>	<u>68,065</u>	<u>65</u>
EXPENDITURES			
Admin- istration	\$ 8,693	13,395	4,702
Personnel	41,469	38,881	(2,588)
Fringe Benefits	12,938	11,914	(1,024)
Travel	3,000	2,670	(330)
Other	1,900	1,205	(695)
	<u>\$ 68,000</u>	<u>68,065</u>	<u>65</u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS**
CORPORATION for NATIONAL and COMMUNITY SERVICE
CONTRACT NO. 04-AF-18
AMERICORP PROGRAM
CFDA # 94.006
Grant Period September 1, 2004 to March 31, 2006

	Budget	9/1/04 to 6/30/05	7/01/05 to 3/31/06	Total Grant Period
REVENUES				
Federal	\$ 141,373	48,587	31,659	80,246
Local	93,166	32,876	43,963	76,839
	<u>\$ 234,539</u>	<u>81,463</u>	<u>75,622</u>	<u>157,085</u>
EXPENDITURES				
Program Operating Costs	\$ 72,113	21,694	42,751	64,445
Member Costs	154,252	58,471	29,580	88,051
Administrative Costs	8,174	1,299	3,291	4,590
	<u>\$ 234,539</u>	<u>81,464</u>	<u>75,622</u>	<u>157,086</u>

SCHEDULE 9

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS**
CORPORATION for NATIONAL and COMMUNITY SERVICE
CONTRACT NO. 05-AF-18
AMERICORP PROGRAM
CFDA # 94.006
Grant Period September 1, 2005 to August 31, 2006

	<u>Budget</u>	<u>7/01/05 to 6/30/06</u>
REVENUES		
Federal	\$ 93,242	66,485
Local	<u>68,802</u>	<u>37,938</u>
	<u>\$ 162,044</u>	<u>104,423</u>
EXPENDITURES		
Program Operating Costs	\$ 63,659	40,993
Member Costs	93,204	58,071
Administrative Costs	<u>5,181</u>	<u>5,359</u>
	<u>\$ 162,044</u>	<u>104,423</u>

Note:

Federal Revenues include \$56,554 in Federal Funds received and \$9,931 in receivables for accrued expenses.

SCHEDULE 10

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2006

<u>Federal Grantor / Program</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program Expenditures July 1,2005 to June 30,2006</u>
DIRECT:			
<u>U.S. Department of Commerce:</u>			
Economic Development Planning Grant	11.302	05-83-03891	\$ 51,000
Title IX Economic Adjustment Program-Revolving	11.307	Perpetual	-
TOTAL DEPARTMENT OF COMMERCE			<u>51,000</u>
INDIRECT:			
<u>U.S. Department of Transportation</u>			
Indirect passthrough Iowa Department of Transportation			
Federal Transit Administration-Transportation	20.515	01RPA-01	21,515
TOTAL DEPARTMENT OF TRANSPORTATION			<u>21,515</u>
<u>U.S. Department of Labor</u>			
Indirect passthrough Iowa Workforce Development Department			
1.) Wagner Peyser Employment Services	17.207	1-W-01-FR-0	31,872
2.) Disabled Veterans Outreach Program	17.801	1-W-01-FR-0	7,181
Subtotal - Employment Services			<u>39,053</u>
Cluster CFDA#17.207 and 17.801			
3.) Unemployment Insurance	17.225	1-W-01-FR-0	28,385
4.) TAA	17.245	1-W-01-FR-0	2,139
5.) Title I - Administration	17.258	1-W-01-FR-0	124,038
6.) Title I - Adult	17.258	1-W-01-FR-0	322,822
Subtotal - WIA Adult CFDA # 17.258			<u>446,860</u>
7.) WIA Youth in School Formula	17.259	1-W-01-FR-0	389,206
8.) Navigator	17.266	1-W-01-FR-0	4,464
9.) WIA Dislocated Worker	17.260	1-W-01-FR-0	266,628
10.) Rapid Response	17.260	1-W-01-FR-0	1,788
11.) Color Box	17.260	1-W-01-FR-0	39,899
12.) Tyson-Early Intervention-RR	17.260	6-W-PF-RR-0-07	6,089
13.) Lands End	17.260	1-W-01-FR-0	20,722
14.) Set Aside, Incentive Awards	17.260	1-W-01-FR-0	109,609
Subtotal - WIA Dislocated Worker CFDA # 17.260			<u>444,735</u>
Subtotal - WIA Cluster CFDA # 17.258, 17.259, & 17.260			<u>1,280,801</u>
TOTAL DEPARTMENT OF LABOR			<u>1,354,842</u>

SCHEDULE 10
Continued

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2006

	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Grant</u> <u>Number</u>	Program Expenditures July 1, 2005 to June 30, 2006
<u>U.S. Department of Health and Human Services</u>			
Indirect passthrough Iowa Workforce Development Department Promise Jobs	93.558	1-W-01-FR-0	415,762
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>415,762</u>
<u>Corporation for National and Community Service</u>			
Indirect passthrough Iowa Commission on Volunteer Service Americorp	94.006	4-AF-18	97,774
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>97,774</u>
<u>U.S. Department of Agriculture</u>			
Business and Industrial Loans-Intermediary Relending Program	10.767	Perpetual	-
TOTAL DEPARTMENT OF AGRICULTURE			<u>-</u>
<u>U.S. Department of Federal Mediation and Conciliation Service</u>			
Re-Employment Services	34.002	1-W-01-FR-0	15,656
TOTAL DEPARTMENT OF FEDERAL MEDIATION AND CONCILIATION SERVICE			<u>15,656</u>
TOTAL ALL FEDERAL PROGRAMS			<u>\$ 1,956,549</u>

SCHEDULE 10
Continued

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2006

NOTE 1-BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Upper Explorerland Regional Planning Commission and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of **OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations**. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic statements.

NOTE 2-SUBRECIPIENTS

Upper Explorerland Regional Planning Commission provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Title I-Administration	17.258,17.259,17.260	\$ 61,385
Title I-Adult	17.258	154,156
WIA Youth in School Formula	17.259	193,026
WIA Dislocated Worker	17.260	107,916
Set Aside, Incentive Awards	17.260	54,805
Rapid Response	17.260	1,788
Promise Jobs	93.558	242,930
Re-Employment Services	34.002	15,656
Wagner Peyser Employment Services	17.207	31,872
Unemployment Insurance	17.225	28,385
Disabled Veterans Outreach Program	17.801	7,181
Color Box-Dislocated Worker	17.260	39,899
Navigator	17.266	4,464
TAA	17.245	2,139
		<hr/> <u>\$ 945,602</u>

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2006

There were no findings or questioned costs for the prior year ended June 30, 2005.



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

To the Board of Commissioners
 Upper Explorerland Regional Planning Commission
 Postville, Iowa

We have audited the financial statements of Upper Explorerland Regional Planning Commission as of and for the year ended June 30, 2006, and have issued our report thereon dated November 21, 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.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Upper Explorerland Regional Planning Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal

control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 21, 2006



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

To the Board of Commissioners
 Upper Explorerland Regional Planning Commission
 Postville, Iowa

Compliance

We have audited the compliance of Upper Explorerland Regional Planning Commission 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. Upper Explorerland Regional Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Upper Explorerland Regional Planning Commission's management. Our responsibility is to express an opinion on Upper Explorerland Regional Planning Commission'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 Upper Explorerland Regional Planning Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides

a reasonable basis for our opinion. Our audit does not provide a legal determination on Upper Explorerland Regional Planning Commission's compliance with those requirements.

In our opinion, Upper Explorerland Regional Planning Commission 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 Upper Explorerland Regional Planning Commission 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 Upper Explorerland Regional Planning Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.

RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

November 21, 2006

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2006

Summary of the Independent Auditor's Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) Our audit procedures disclosed no reportable conditions.
- (c) The audit did not disclose any noncompliance, which is material to the financial statements.
- (d) Our audit procedures disclosed no reportable conditions in the major program.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit did not disclose any audit findings, which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section 510(a).
- (g) Workforce Investment Act Grants with the CFDA Numbers 17.207,17.225,17.258,17.259,17.260, 17.801,17.245,17.266 and 93.558 were audited as major programs.
- (h) The dollar threshold used to distinguish between Type A and Type B programs were \$300,000.
- (i) Upper Explorerland Regional Planning Commission qualified as a low-risk auditee.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2006

Findings: Financial Statement Audit

No matters were noted.

Findings and Questioned Costs: Major Federal Award Programs
Audit

No matters were noted.