

**SOUTHERN IOWA  
ECONOMIC DEVELOPMENT  
ASSOCIATION  
OTTUMWA, IOWA**

Independent Auditors' Report  
Financial Statements and Supplementary Data  
Reports on Compliance and Internal Controls

June 30, 2006

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

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# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

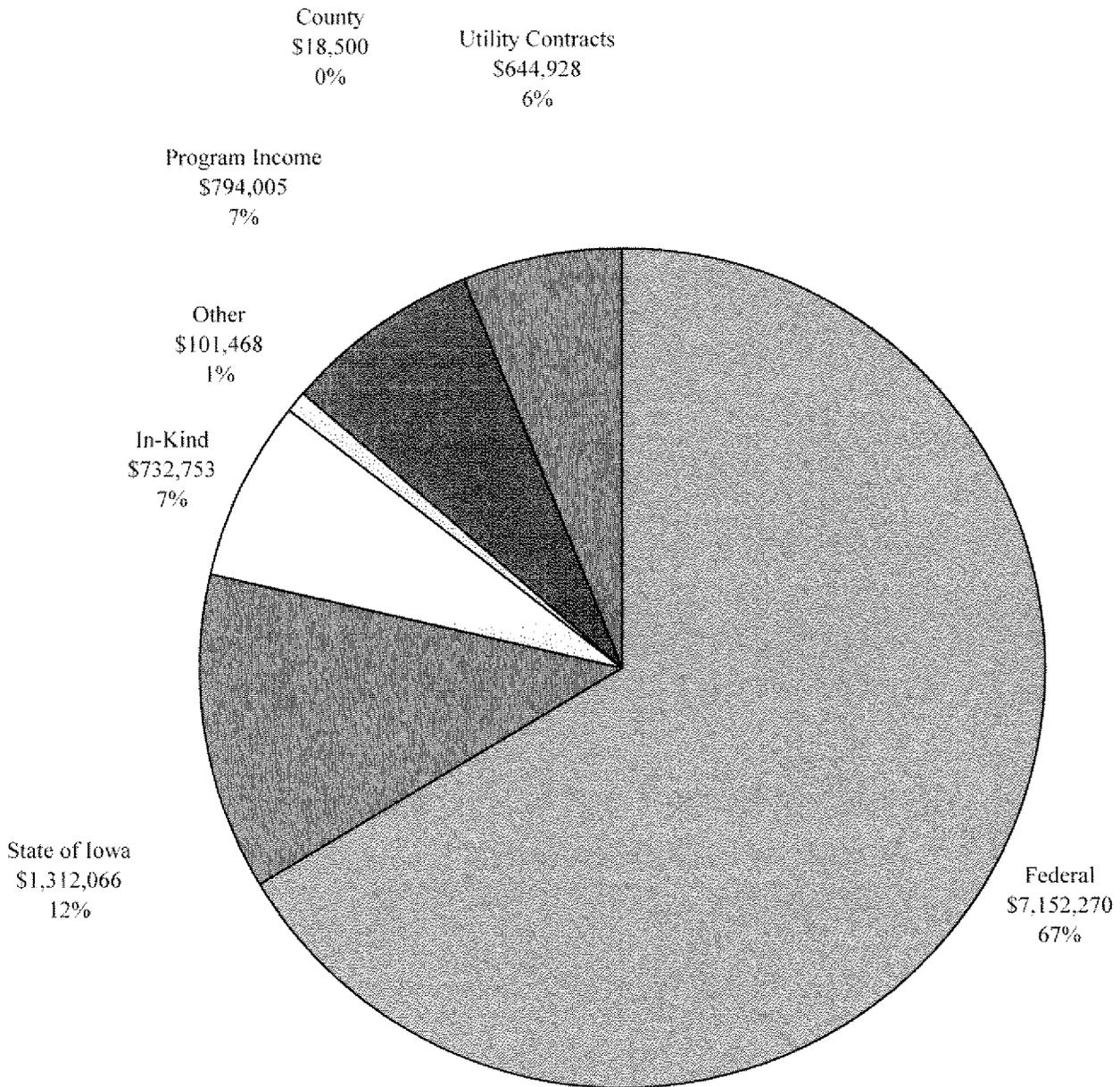
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## Introductory

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

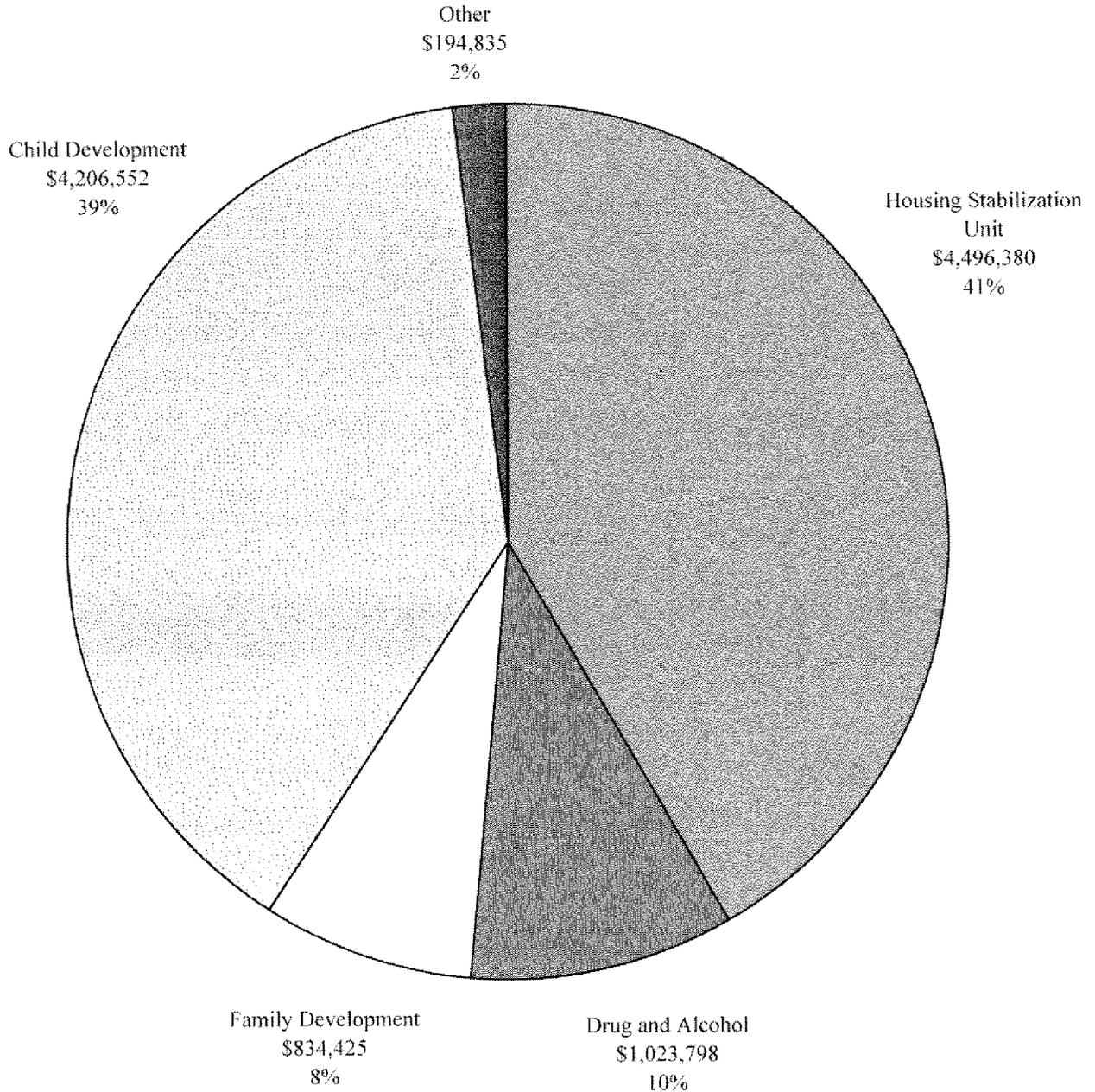
## Revenues By Funding Source For Fiscal Year Ending June 30, 2006



Total Revenues By Funding Source \$10,755,990

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

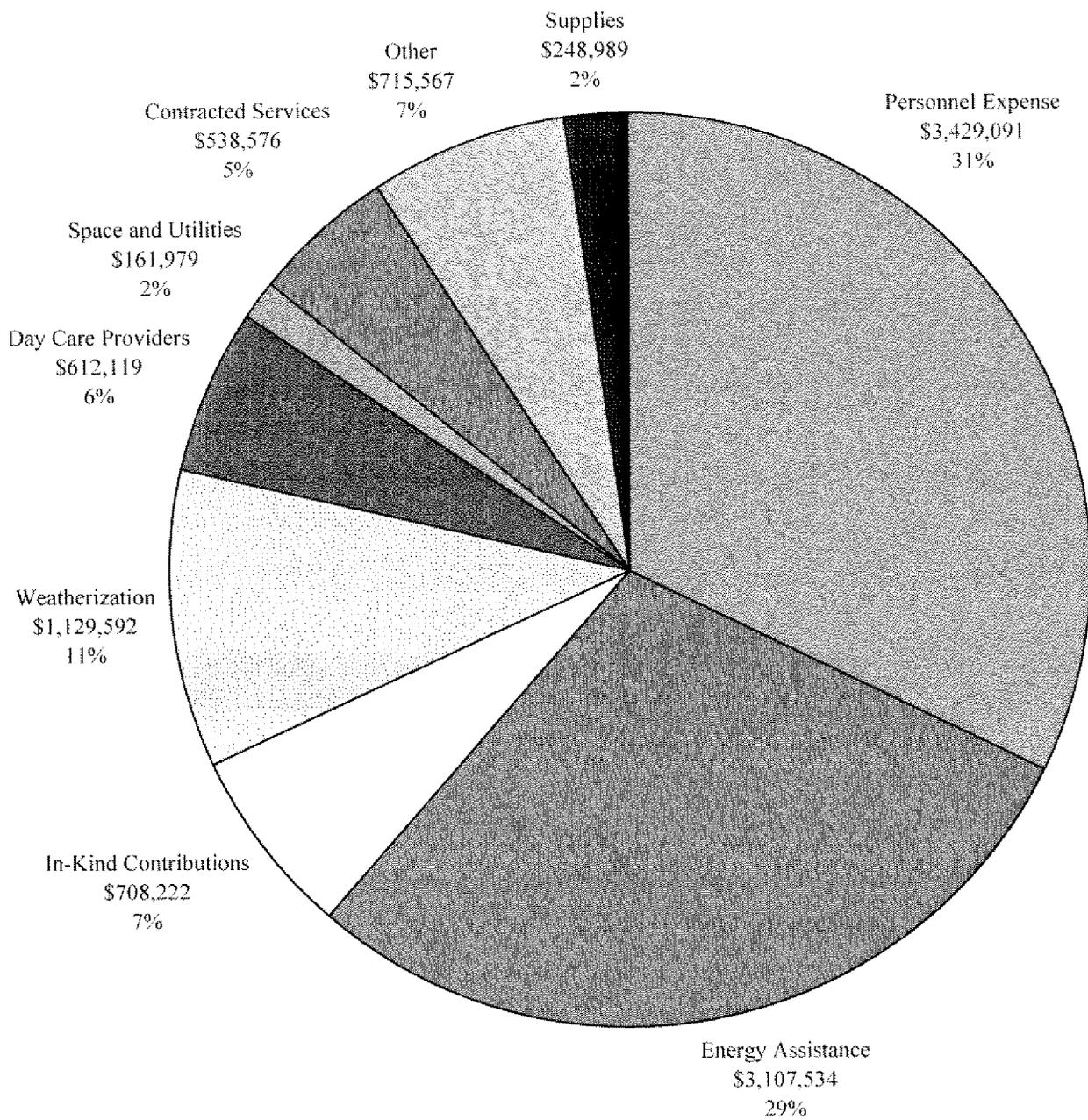
## Revenues By Program For Fiscal Year Ending June 30, 2006



Total Revenues By Program \$10,755,990

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

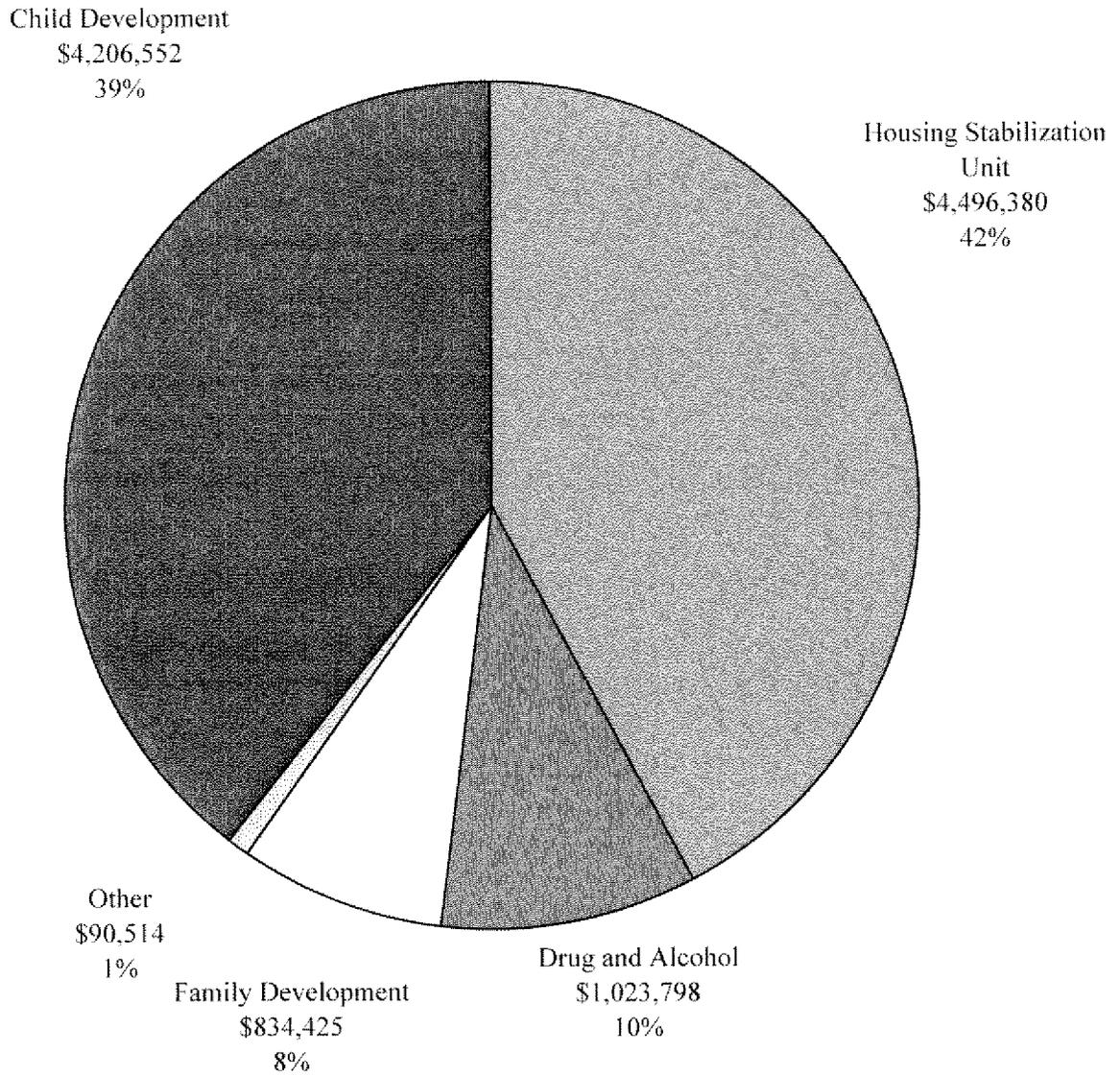
## Expenditures By Function For the Fiscal Year Ending June 30, 2006



Total Expenditures by Function \$10,651,669

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Expenditures By Program For the Fiscal Year Ending June 30, 2006



Total Expenditures by Program \$10,651,669

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Financial Statements

June 30, 2006

## Independent Auditors' Report

Board of Directors  
Southern Iowa Economic Development Association  
Ottumwa, Iowa

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the Southern Iowa Economic Development Association as of and for the year ended June 30, 2006. These financial statements are the responsibility of the Agency'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 opinion.

As disclosed in footnote 1 and footnote 14, the Agency has elected not to recognize depreciation or accrue compensated absences. In our opinion, accounting principles generally accepted in the United States of America require that depreciation on property and equipment be recognized on all property and equipment and compensated absences be accrued. It was not practical to determine the effects of the unrecorded depreciation on the financial statements.

In our opinion, except for the effects of not recognizing depreciation on all property and equipment or accruing compensated absences, as explained in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Southern Iowa Economic Development Association as of June 30, 2006, and the changes in its net assets, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated August 2, 2006, on our consideration of the Southern Iowa Economic Development Association's internal control over financial reporting and 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 of compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule 1, Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The other supplementary data included in Schedules 2 to 14 is presented for analysis purposes only and is not a required part of the basic financial statements. Such data has been subjected to the auditing procedures applied in the audit of the aforementioned financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Theobald, Donohue & Thompson, P.C.

Sigourney, Iowa  
August 2, 2006

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
 Combined Statement of Financial Position - All Funds  
 June 30, 2006

	Admin- istrative <u>Funds</u>	Program <u>Funds</u>	Plant <u>Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 355,196	7,021	-	362,217
Petty cash	50	50	-	100
Receivables:				
Grantor agencies	-	472,680	-	472,680
Other sources	3,592	41	-	3,633
Other funds	82,842	215,043	689	298,574
Prepaid expenses	5,643	49,378	-	55,021
Inventory	2,455	2,821	-	5,276
Property and equipment at cost	-	-	612,019	612,019
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<b>\$ 449,778</b>	<b>747,034</b>	<b>612,708</b>	<b>1,809,520</b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 922	146,538	361	147,821
Grantor agencies	25,299	-	-	25,299
Accrued payroll	9,192	83,318	-	92,510
Accrued payroll taxes	2,080	21,760	-	23,840
Other current liabilities	275	7,548	328	8,151
Other funds	33,975	264,599	-	298,574
Deferred revenue	-	223,271	-	223,271
Current portion of notes payable - building	-	-	4,308	4,308
Long-term portion of notes payable - building	-	-	25,281	25,281
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total current liabilities</b>	<b>71,743</b>	<b>747,034</b>	<b>30,278</b>	<b>849,055</b>
<b>Net assets:</b>				
Unrestricted	<u>378,035</u>	<u>-</u>	<u>582,430</u>	<u>960,465</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities and net assets</b>	<b>\$ 449,778</b>	<b>747,034</b>	<b>612,708</b>	<b>1,809,520</b>

See accompanying notes to financial statements.

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combined Statement of Activities - All Funds

For the Year Ended June 30, 2006

	Unrestricted			Total
	Admin- istrative Funds	Program Funds	Plant Fund	
Revenues:				
Governmental funding sources:				
Department of Energy	\$ -	323,676	-	323,676
Department of Health and Human Services	-	6,006,292	-	6,006,292
Department of Agriculture	-	818,250	-	818,250
FEMA/DOT/Dept of Justice	-	4,052	-	4,052
Iowa Department of Human Services	-	773,145	-	773,145
Iowa Department of Public Health	-	538,921	-	538,921
Iowa Department of Economic Development	-	-	-	-
In-kind contributions	-	732,753	-	732,753
Utility Companies	-	644,928	-	644,928
CSBG budgeted co-funding	-	10,891	-	10,891
County contributions	18,500	-	-	18,500
Interest income	1,789	-	-	1,789
Other sources	51,245	808,247	23,301	882,793
Total revenues	71,534	10,661,155	23,301	10,755,990
Expenditures:				
Weatherization assistance	-	1,372,309	-	1,372,309
Low Income Home Energy Assistance	-	3,124,071	-	3,124,071
Head Start	-	2,553,243	-	2,553,243
Child Care Food Program (Day Care Homes)	-	819,849	-	819,849
Other Child Development grants	-	833,460	-	833,460
Drug and Alcohol grants	-	1,023,798	-	1,023,798
Community Services Block Grant	-	344,941	-	344,941
FaDSS	-	341,802	-	341,802
Other Family Development grants	-	147,682	-	147,682
Administrative/Other	71,869	-	18,645	90,514
Total expenditures	71,869	10,561,155	18,645	10,651,669
Change in net assets	(335)	100,000	4,656	104,321
Unrestricted net assets at beginning of year	278,370	-	644,072	922,442
Transfer to administrative funds	100,000	(100,000)	-	-
Net purchases/(disposal) of plant assets	-	-	(66,298)	(66,298)
Unrestricted net assets at end of year	\$ 378,035	-	582,430	960,465

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
 Combined Statement of Functional Expenditures -  
 Administrative and Program Funds  
 For the Year Ended June 30, 2006

	Unrestricted			Total
	Admin- istrative Funds	Program Funds	Plant Fund	
Salaries and wages	\$ 238,378	2,443,317	-	2,681,695
Fringe benefits	56,085	691,311	-	747,396
Contracted services/consultants	4,063	534,158	355	538,576
Co-funding	-	10,893	-	10,893
Day care provider payments	-	612,119	-	612,119
Energy assistance/administrative	-	3,107,534	-	3,107,534
Food	-	104,760	-	104,760
In-kind contributions	-	708,222	-	708,222
Insurance	8,048	17,196	995	26,239
Other	56,804	295,702	8,648	361,154
Printing, postage and publications	18,253	52,106	-	70,359
Professional expense	21,258	-	-	21,258
Property and equipment	-	-	-	-
Space costs	30,943	132,946	8,647	172,536
Supplies	11,028	237,961	-	248,989
Telephone	4,474	34,298	-	38,772
Travel	6,307	65,268	-	71,575
Weatherization	-	1,129,592	-	1,129,592
Total expenditures before allocation of indirect costs	455,641	10,177,383	18,645	10,651,669
Allocation of indirect costs	(383,772)	383,772	-	-
Total expenditures	\$ 71,869	10,561,155	18,645	10,651,669

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Statement of Cash Flows  
For the Year Ended June 30, 2006

Cash flows from operating activities:	
Change in net assets	\$ 104,321
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:	
Depreciation expense	9,940
(Increase) decrease in:	
Grantor and other receivables	(8,993)
Other funds	(28,745)
Prepaid expenses	(1,655)
Inventory	(519)
Increase (decrease) in:	
Accounts payable	40,452
Accrued expenses	13,736
Other funds	28,745
Deferred revenue	<u>(50,221)</u>
Net cash provided (used) by operating activities	<u>107,061</u>
Cash flows from investing activities:	
Net (additions) disposals of equipment	<u>(10,375)</u>
Net cash provided (used) by investing activities	<u>(10,375)</u>
Cash flows from financing activities:	
Payments on notes payable - building	<u>(4,221)</u>
Net cash provided (used) by financing activities	<u>(4,221)</u>
Net change in cash and cash equivalents	92,465
Cash and cash equivalents, beginning of year	<u>269,852</u>
Cash and cash equivalents, end of year	<u>\$ 362,317</u>

See accompanying notes to financial statements.

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements

June 30, 2006

### Note 1 – Summary of Significant Accounting Policies

The significant accounting policies followed by the Southern Iowa Economic Development Association are described below to enhance the usefulness of these annual financial statements to the reader.

#### Reporting Entity

The Southern Iowa Economic Development Association, a not-for-profit corporation, is a community action agency that serves the Iowa counties of Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Marion, Monroe, Van Buren, Wapello and Wayne. Southern Iowa Economic Development Association is exempt from income tax under section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

Southern Iowa Economic Development Association administers various programs funded by Federal, State and local governmental bodies. Each program is accounted for as a separate fund.

#### Fund Accounting

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenditures. The various funds are summarized as follows in the financial statements:

Administrative Fund – The Administrative Fund represents funds derived from local sources such as donations, county match and miscellaneous activities. The Agency's overall management and administrative expenditures are charged to this fund and then allowable indirect costs are allocated to the various programs which the Agency administers. Footnote 9 refers to the funds combined in the Administrative Fund.

Program Funds – Program Funds are used to account for the revenues and expenditures that are contractually restricted by the funding source for specific purposes.

Plant Fund – The Plant Fund is used to accumulate the net investment in fixed assets and to account for the unexpended resources contributed specifically for the purpose of acquiring fixed assets for the Agency. The Agency has elected not to report depreciation expense except on the building it owns in Sigourney, Iowa. The space in this building is rented to programs.

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2006

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Grant or contract revenue is recognized when earned. The grants and contracts are written on an expenditure reimbursement basis and accordingly, grant or contract revenue is earned when allowable program expenditures are incurred. The financial statements present any funds received and not expended as deferred revenue.

Expenditures are recorded when the liability is incurred. Disbursements for the purchase of fixed assets providing future benefits are recorded as expenditures in the program at the time of purchase and capitalized in the plant fund.

#### Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Agency and changes therein are classified and reported as follows:

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

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

#### Cash and Cash Equivalents

Cash includes amounts in demand deposits and money market funds.

#### Receivables from Grantor Agencies

Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenditures as of the beginning and end of the year. Receivables from Grantor Agencies represent an excess of expenditures over cash basis reimbursements at year end.

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued)

June 30, 2006

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Receivables/Payables from Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent certain transactions between funds had not been paid or received as of September 30, 2006, balances of interfund amounts receivable or payable have been recorded.

#### Inventory

Inventory purchased through vendors is accounted for at the lower of cost (first-in, first-out) or market. Inventory is composed of office supplies and weatherization materials and is recorded as expenditures as it is used rather than when purchased.

#### Property and Equipment

The Agency reports all property and equipment additions which have extended useful lives as program expenditures to match budgeting methods in the fund purchasing the asset. The Agency then capitalizes in the plant fund, property and equipment with a cost of over \$2,500 as an asset with a related investment in property and equipment net assets. All repairs and general maintenance are recognized as program or administrative expenditures as incurred. No interest costs were capitalized since there were no qualifying assets.

The Agency has elected to not record depreciation for financial reporting purposes in the program funds as their grant budgeting process does not include such. To recognize depreciation expense would be of no economic benefit.

#### Deferred Revenue

Deferred revenue represents an excess of cash advances by the funding source over paid or accrued expenditures at year end.

#### Program Reporting Year Ends

The Southern Iowa Economic Development Association has adopted a fiscal reporting year end of June 30. Certain program grants administered have different program period ending dates based on grantor requirements. All grants ending June 30, 2006 have been included in this annual report and amounts included for these programs are for the twelve month period ending June 30, 2006. This report also includes those grants which end on various dates as specified in the contracts. Therefore, these financial statements include revenue and expenditure statements for two grant periods for certain grants. One covers revenue and expenditure amounts for the partial grant period which began during the current year and one covers the revenues and expenditures for the partial grant year that began during the previous year.

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued)

June 30, 2006

### Note 1 – Summary of Significant Accounting Policies (Continued)

#### Indirect Expense Allocation

Expenses relating to the administration of the Agency in general are allocated to the specific program grants based upon a predetermined rate of 13.3% of gross salaries charged to the grant, actual space occupied (rent, utilities), or some other equitable basis depending upon the nature of the expenditure. The predetermined rate is based on a formula developed by the Agency and approved by the Department of Health and Human Services, its oversight agency. Grants whose budgets do not allow for the total indirect cost allocation are co-funded through the CSBG grant.

#### In-Kind Contributions

The Agency recognizes donated labor, services, materials and rent-free usage of facilities and equipment as in-kind revenues at the time the services and materials are received within some of the programs. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with grant requirements.

#### Total Column

The total column on the combined statement of financial position, statement of activities and statement of functional expenditures is presented to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements, assets, liabilities, and the reported amount of revenues and expenses involve extensive reliance on management's estimates. Actual results could differ from those estimates.

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2006

### Note 2 – Background of Agency

The Southern Iowa Economic Development Association, as a Community Action Agency, is grantee of several Federal, State and locally funded program grants that assist mainly low-income people in the eleven county area it serves. Each program is accounted for as a separate fund.

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State tax code. The Agency has adopted a June 30 Agency reporting fiscal year end although several program grants have differing grant year ends.

### Note 3 – Net Cash

Cash and cash overdrafts as presented in Exhibit A include amounts in demand deposits and is composed of the following components:

Cash in bank:		
Agency – checking	\$	240,300
Agency – savings		114,896
I-Care – checking		3,440
Head Start – savings		2,601
LIHEAP – checking		980
		<u>362,217</u>
Petty cash:		
Agency		50
Drug and Alcohol		50
		<u>100</u>
	\$	<u>362,317</u>

The cash balances shown are insured up to the Federal Deposit Insurance Corporation's limit of \$100,000. However, SIEDA's banking institute provides collateral which is assigned to these accounts.

### Note 4 – Disclosures of Cash Flows Information

For purposes of the statement of cash flows, the Agency considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Cash paid during the year for:		
Interest	\$	<u>638</u>

### Note 5 – Receivable-Grantor Agencies

Receivable-Grantor Agencies at June 30, 2006 as reported in Exhibit A is composed of the following:

(continued)

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2006

Note 5 – Receivable-Grantor Agencies (Continued)

Department of Energy:	
Iowa Department of Human Rights:	
DOE	\$ 105,802
Department of Agriculture:	
Iowa Department of Education:	
Day Care Homes	69,987
Supplemental Food	1,054
Department of Health and Human Services:	
Head Start (Direct)	44,554
Iowa Department of Human Rights:	
CSBG	26,929
HEAP	14,774
Iowa Department of Public Health:	
Prevention	14,933
Treatment	14,502
Tobacco	11,602
Iowa Department of Human Services:	
FaDSS	
Iowa Department of Human Rights:	
IPL – Weatherization Assistance	28,162
City of Ottumwa:	
Homeless Shelter Grant	6,628
Parents as Teachers:	
ADLM	12,000
Mahaska/Wapello	96,934
Jefferson/Keokuk	9,489
Iowa Division of Vocational Rehab Services:	
Vocational Rehab	310
Mahaska/Wapello AEA Grant	4,492
Jefferson/Keokuk:	
Child Care Educator	4,444
Van Buren County – VCFSS	3,866
Van Buren Extended Hours	1,487
Oak Terrace Agreement	190
Dads in Recovery	118
Prevent Child Abuse Iowa	<u>423</u>
	 \$ <u>472,680</u>

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2006

### Note 6 – Property and Equipment

SIEDA's policy for capitalizing property and equipment was reviewed and updated during the year ended June 30, 2006. SIEDA determined that only items with a cost of \$2,500 or more are capitalized. This was applied retroactively.

The following is a detail by program of the equipment and building amount reported in Exhibit A identified to the program it relates to:

	<u>Equipment</u>	<u>Buildings</u>	<u>Total</u>
DOE Weatherization	\$ 21,520	-	21,520
HEAP Weatherization	64,439	-	64,439
Department of Health and Human Services – Head Start	115,661	-	115,661
Iowa Department of Substance Abuse – Drug and Alcohol:			
Treatment	23,327	-	23,327
Prevention	5,613	-	5,613
FaDSS	2,950	-	2,950
Agency	40,124	266,529	306,653
Parents as Teachers	<u>71,856</u>	<u>-</u>	<u>71,856</u>
	<u>\$ 345,490</u>	<u>266,529</u>	<u>612,019</u>

Equipment and building are reported at original cost or donated value with an offsetting amount of investment in equipment and building net assets.

### Note 7 – Line of Credit

As of June 30, 2006, SIEDA has a \$100,000 line of credit secured by all receivables, cash accounts and general intangibles. The interest rate is 1 percent above the Wells Fargo prime rate index, floating. The balance was \$-0- as of June 30, 2006.

### Note 8 – Long Term Liabilities

The Agency obtained a long term real estate contract from the City of Sigourney. The contract calls for monthly payments of \$405 and accrues interest of 2 percent per annum. The related building secures the contract. The balance at June 30, 2006, is \$29,589. Final payment is due December 2012.

Principal amounts due during the next five fiscal years are as follows:

2007	\$	4,308
2008		4,394
2009		4,483
2010		4,574
2011		4,666

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2006

### Note 9 – Administrative Net Assets

Administrative net assets at June 30, 2006 as reported in Exhibit A are composed of the following:

Discretionary Fund	\$ 202,591
Indirect Cost Pool	( 66,655)
Head Start – Discretionary Funds	506
Head Start – Health Care Donations	4,354
Head Start – Interest Income	23
Weatherization – Interest Earned and Program Income	1,110
Drug and Alcohol – Prevention Donations	15
Drug and Alcohol – Treatment	215,667
LIHEAP – Discretionary Funds	15
Parents as Teachers – Mahaska/Wapello	598
Flood Donations	1,040
FaDSS – Discretionary Funds	908
Family Preservation	1,531
Resource Centers and Emergency Housing Area XV	13,702
	<u>2,630</u>
	\$ <u>378,035</u>

### Note 10 – Provider Relationship

The Agency provides outpatient counseling, education, and substance abuse prevention service to residents of the eleven county area under authorization from the Iowa Department of Public Health, Division of Substance Abuse and Health Promotion. Services are provided under a license which extends through July 13, 2007. Provision of services after that date is contingent upon continued licensure by the Iowa Department of Public Health, Division of Substance Abuse and Health Promotion.

### Note 11 – Match Funds Required – Head Start Program

The Head Start grant requires grantee provided support to match Federal funding in the amount of 20% of the total Federal and non-Federal revenues. Based on grant terms for Grant Number 6142(39) for the period December 1, 2004 through November 30, 2005 the grant provided for \$1,921,495 of Federal support and grantee matching support in the amount of \$480,374. Such grantee match requirement of 20% of federal funding was met.

Grant terms for Grant Number 6142(40) for the period December 1, 2005 through November 30, 2006 provided for \$1,891,312 of Federal support and grantee matching support in the amount of \$472,828. At June 30, 2006 matching support of \$249,856 had been generated, leaving a balance of \$222,972 to be obtained during the period July 1, 2006 through November 30, 2006, the contract ending date.

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Notes to Financial Statements (Continued) June 30, 2006

### Note 12 – Lease of Space

SIEDA leases the space where their offices are located in Ottumwa and several other neighborhood center locations. The office lease has an option to be renewed every five years and is currently renewable February 28, 2011. The space is expensed to the individual programs by a square footage allocation. The resource centers have varying expirations. The current contracts required annual lease payments of \$248,000 for the space leased at June 30, 2006. At June 30, 2006, the lease commitment is \$248,000 for each of the next five years.

### Note 13 – Retirement Plan

The Agency 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 Agency is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended June 30, 2006 was \$164,669, equal to the required contributions for the year.

### Note 14 – Employee Vacation Benefit

Agency employees accumulate vacation leave hours for subsequent use or payment upon termination or retirement. The accumulations are not recognized as expenses until used or paid which is in accordance with grant requirements for allowable costs. As of June 30, 2006 vested unpaid vacation leave for Agency employees was \$114,429.

### Note 15 – Economic Dependency

SIEDA is dependent upon federal and state monies to maintain its operations. In the event that grant monies are not available from such sources, SIEDA may not continue as a going concern.

### Note 16 – Contingent Liability

SIEDA is contingently liable to grantors for monies received until each grant has been closed by the grantor.

### Note 17 – Agency Risk Management

Southern Iowa Economic Development Association 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. There have been no claims from these risks that have exceeded commercial insurance coverage for the past three years.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Supplementary Data

June 30, 2006

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards  
For the Period July 1, 2005 through June 30, 2006

<u>Grant Name/ Federal Grantor/ Pass Through Grantor</u>	<u>CFDA Number/ Grant Period</u>	<u>Grantor Contract Number</u>	<u>Expenditures</u>
Department of Energy:			
Iowa Department of Human Rights, Division of Community Action Agencies	DOE – Weatherization Assistance for Low Income Persons*/81.042 04/01/05 – 03/31/06 04/01/06 – 03/31/07	DOE-05-15L DOE-06-15L	\$ 81,884 <u>241,792</u>
Total Department of Energy			<u>323,676</u>
Department of Agriculture:			
Iowa Department of Education	Child and Adult Care Food Program – Supplemental Food/10.558 10/01/04 – 09/30/05 10/01/05 – 09/30/06	90-8010 90-8010	13,536 93,036
	Child and Adult Care Food Program – Day Care Homes /10.558 10/01/04 – 09/30/05 10/01/05 – 09/30/06	90-8017 90-8017	175,675 <u>536,003</u>
Total Department of Agriculture			<u>818,250</u>

(continued)

\* = Major program

See accompanying independent auditors' reports.

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards (Continued)  
For the Period July 1, 2005 through June 30, 2006

<u>Grant Name/ Federal Grantor/ Pass Through Grantor</u>	<u>CFDA Number/ Grant Period</u>	<u>Grantor Contract Number</u>	<u>Expenditures</u>
Department of Health and Human Services:			
Office of Human Development Services (Direct)	Head Start, Full Year Part Day and Handicapped /93.600		
	12/01/04 – 11/30/05	07CH6142/39	804,730
	12/01/05 – 11/30/06	07CH6142/40	1,037,166
			<u>1,841,896</u>
Iowa Department of Human Rights, Division of Community Action Agencies	Community Services Block Grant*/93.569		
	10/01/03 – 09/30/05	CSBG-04-15-CL	95,573
	10/01/04 – 09/30/06	CSBG-05-15-CL	249,368
			<u>344,941</u>
	Family Development and Self Sufficiency/93.558		
	07/01/05 – 06/30/06	FaDSS-06-15-FL	<u>172,980</u>
	Home Energy Assistance Program – Weatherization* /93.568		
	04/01/05 – 03/31/06	HEAP-05-15L	349,556
	04/01/06 – 03/31/07	HEAP-06-15L	47,337
	Low Income Home Energy Assistance Program*/93.568		
	10/01/04 – 09/30/05	LIHEAP-05-15-L	320,361
	10/01/05 – 09/30/06	LIHEAP-06-15-L	<u>2,798,260</u>
			<u>3,515,514</u>

(continued)

\* = Major program

See accompanying independent auditors' reports.

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards (Continued)  
For the Period July 1, 2005 through June 30, 2006

<u>Grant Name/ Federal Grantor/ Pass Through Grantor</u>	<u>CFDA Number/ Grant Period</u>	<u>Grantor Contract Number</u>	<u>Expenditures</u>
Department of Health and Human Services (Continued):			
Iowa Department of Public Health, Division of Substance Abuse/ Health Promotion	Prevention/93.959 07/01/05 – 06/30/06	5886CP21	<u>130,961</u>
Total Department of Health and Human Services			<u>6,006,292</u>
Federal Emergency Management Association	Emergency Food and Shelter Program/83.523	N/A	<u>4,052</u>
			<u>\$ 7,152,270</u>

Basis of presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southern Iowa Economic Development Association and is presented on the accrual basis of accounting. The information on 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 financial statements.

\* = Major program

See accompanying independent auditors' reports.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Combining Statement of Financial Position - Program Funds  
June 30, 2006

	<u>DOE</u>	<u>HEAP</u>	<u>IPL</u>	<u>Alliant Counseling</u>	<u>I-Care</u>
<b>Assets</b>					
Cash and investments	\$ -	-	-	-	3,440
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	81,895	38,681	28,162	-	-
Other sources	35	-	-	-	-
Other funds	-	-	-	31,553	2,307
Prepaid expenses	1,796	-	-	-	-
Inventory	<u>2,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 86,547</u>	 <u>38,681</u>	 <u>28,162</u>	 <u>31,553</u>	 <u>5,747</u>
 <b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 35,733	906	3,000	-	-
Accrued payroll	4,489	-	-	-	-
Accrued payroll taxes	1,149	-	-	-	-
Other current liabilities	80	-	-	-	-
Other funds	45,096	37,775	25,162	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,553</u>	<u>5,747</u>
Total current liabilities	86,547	38,681	28,162	31,553	5,747
 Net assets	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total liabilities and net assets	 <u>\$ 86,547</u>	 <u>38,681</u>	 <u>28,162</u>	 <u>31,553</u>	 <u>5,747</u>

(continued)

<u>Project Helper</u>	<u>Alliant Hometown Cares</u>	<u>I Care Mid-American</u>	<u>LIHEAP</u>	<u>Head Start</u>	<u>Parents as Teachers ADLM</u>	<u>Parents as Teachers Mah/Wap</u>	<u>Parents as Teachers Jeff/Keokuk</u>
-	-	-	980	2,601	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	44,554	12,000	96,934	9,489
-	-	-	-	-	-	-	-
5,379	6,114	26,819	9,131	-	-	-	-
-	-	-	1,031	21,874	1,023	2,689	647
-	-	-	-	-	-	-	-
<u>5,379</u>	<u>6,114</u>	<u>26,819</u>	<u>11,142</u>	<u>69,029</u>	<u>13,023</u>	<u>99,623</u>	<u>10,136</u>
-	-	3,000	58	7,124	1,337	26,638	173
-	227	154	3,236	18,899	3,236	7,167	2,350
-	22	20	940	5,591	805	1,531	849
-	-	-	42	6,052	26	128	-
-	-	-	-	31,363	7,619	64,159	6,764
5,379	5,865	23,645	6,866	-	-	-	-
5,379	6,114	26,819	11,142	69,029	13,023	99,623	10,136
-	-	-	-	-	-	-	-
<u>5,379</u>	<u>6,114</u>	<u>26,819</u>	<u>11,142</u>	<u>69,029</u>	<u>13,023</u>	<u>99,623</u>	<u>10,136</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Combining Statement of Financial Position - Program Funds (Continued)  
June 30, 2006

	<u>Reading is Fun</u>	<u>ADLM Child Care Recruiter</u>	<u>Mahaska/ Wapello AEA Grant</u>	<u>Jeff/Keokuk Child Care Educator</u>	<u>Van Buren Head Start Ext. Hours</u>
<b>Assets</b>					
Cash and investments	\$ -	-	-	-	-
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	-	-	4,492	4,444	1,487
Other sources	-	-	-	-	-
Other funds	13	2,908	-	-	-
Prepaid expenses	-	416	39	24	-
Inventory	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 13</u>	<u>3,324</u>	<u>4,531</u>	<u>4,468</u>	<u>1,487</u>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ -	2,510	39	57	-
Accrued payroll	-	634	865	1,015	-
Accrued payroll taxes	-	154	188	306	-
Other current liabilities	-	26	-	-	-
Other funds	-	-	3,439	3,090	1,487
Deferred revenue	13	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	13	3,324	4,531	4,468	1,487
Net assets	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 13</u>	<u>3,324</u>	<u>4,531</u>	<u>4,468</u>	<u>1,487</u>

(continued)

<u>Day Care Homes</u>	<u>Supp. Foods</u>	<u>Drug and Alcohol - Treatment</u>	<u>Drug and Alcohol - Prevention</u>	<u>Drug and Alcohol - Tobacco</u>	<u>CSBG</u>	<u>Van Buren VCFSS</u>	<u>Voc. Rehab.</u>
-	-	-	-	-	-	-	-
-	-	50	-	-	-	-	-
69,987	1,054	14,502	14,933	11,602	26,929	3,866	310
-	-	-	-	-	6	-	-
-	-	89,896	-	-	19,248	-	2,854
528	-	8,405	1,889	167	5,715	-	-
-	-	-	-	-	-	-	-
<u>70,515</u>	<u>1,054</u>	<u>112,853</u>	<u>16,822</u>	<u>11,769</u>	<u>51,898</u>	<u>3,866</u>	<u>3,164</u>
59,116	84	2,792	2,654	64	707	-	-
2,162	-	17,167	3,404	998	9,102	209	17
562	-	4,351	892	241	2,036	28	2
26	-	261	90	-	503	-	-
8,649	970	-	9,782	8,288	-	3,629	-
-	-	88,282	-	2,178	39,550	-	3,145
<u>70,515</u>	<u>1,054</u>	<u>112,853</u>	<u>16,822</u>	<u>11,769</u>	<u>51,898</u>	<u>3,866</u>	<u>3,164</u>
-	-	-	-	-	-	-	-
<u>70,515</u>	<u>1,054</u>	<u>112,853</u>	<u>16,822</u>	<u>11,769</u>	<u>51,898</u>	<u>3,866</u>	<u>3,164</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
Combining Statement of Financial Position - Program Funds (Continued)  
June 30, 2006

	<u>FaDSS</u>	<u>Oak Terrace Agreement</u>	<u>Dads in Recovery</u>	<u>Prevent Child Abuse Iowa</u>	<u>Homeless Shelter Operations</u>
<b>Assets</b>					
Cash and investments	\$ -	-	-	-	-
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	-	190	118	423	6,628
Other sources	-	-	-	-	-
Other funds	7,605	-	-	-	-
Prepaid expenses	3,135	-	-	-	-
Inventory	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 10,740</u>	<u>190</u>	<u>118</u>	<u>423</u>	<u>6,628</u>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 490	-	-	-	-
Accrued payroll	7,860	28	-	-	-
Accrued payroll taxes	2,076	4	-	-	-
Other current liabilities	314	-	-	-	-
Other funds	-	158	118	423	6,628
Deferred revenue	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	10,740	190	118	423	6,628
Net assets	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 10,740</u>	<u>190</u>	<u>118</u>	<u>423</u>	<u>6,628</u>

<u>United Way</u>	<u>Mahaska County Wal-Mart Nest</u>	<u>FEMA</u>	<u>Total (Memo Only)</u>
-	-	-	7,021
-	-	-	50
-	-	-	472,680
-	-	-	41
4,086	688	6,442	215,043
-	-	-	49,378
-	-	-	2,821
<u>4,086</u>	<u>688</u>	<u>6,442</u>	<u>747,034</u>

56	-	-	146,538
99	-	-	83,318
13	-	-	21,760
-	-	-	7,548
-	-	-	264,599
3,918	688	6,442	223,271
<u>4,086</u>	<u>688</u>	<u>6,442</u>	<u>747,034</u>
-	-	-	-
<u>4,086</u>	<u>688</u>	<u>6,442</u>	<u>747,034</u>

## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds

For the Year Ended June 30, 2006

	DOE <u>3/31/2006</u>	DOE <u>3/31/2007</u>	HEAP <u>3/31/2006</u>	HEAP <u>3/31/2007</u>	IPL <u>12/31/2005</u>
Revenues:					
Governmental funding sources:					
Department of Energy	\$ 81,884	241,792	-	-	-
Dept. of Health and Human Services	-	-	349,556	47,337	-
Department of Agriculture	-	-	-	-	-
FEMA	-	-	-	-	-
Iowa Department of Human Services	-	-	-	-	-
Iowa Department of Public Health	-	-	-	-	-
Iowa Dept. of Economic Development	-	-	-	-	-
In-kind contributions	-	-	-	-	-
Utility Companies	-	-	-	-	143,081
CSBG budgeted co-funding	-	-	-	-	-
Other sources	470	-	6,342	-	-
Total revenues	<u>82,354</u>	<u>241,792</u>	<u>355,898</u>	<u>47,337</u>	<u>143,081</u>
Expenditures:					
Salaries and wages	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Contracted services/consultants	-	-	-	-	-
Co-funding	-	-	-	-	-
Day care provider payments	-	-	-	-	-
Energy assistance/administrative	-	-	-	-	-
Food	-	-	-	-	-
Indirect costs	-	-	-	-	-
In-kind contributions	-	-	-	-	-
Insurance	-	-	-	-	-
Other	-	-	-	-	-
Space costs	-	-	-	-	-
Supplies	-	-	-	-	-
Telephone	-	-	-	-	-
Travel	-	-	-	-	-
Weatherization	82,354	241,792	355,898	47,337	143,081
Total expenditures	<u>82,354</u>	<u>241,792</u>	<u>355,898</u>	<u>47,337</u>	<u>143,081</u>
Change in net assets	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-
Transfer to administrative funds	-	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)



## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2006

	<u>LIHEAP</u> <u>9/30/2005</u>	<u>LIHEAP</u> <u>9/30/2006</u>	<u>Head Start</u> <u>11/30/2005</u>	<u>Head Start</u> <u>11/30/2006</u>
Revenues:				
Governmental funding sources:				
Department of Energy	-	-	-	-
Dept. of Health and Human Services	\$ 320,361	2,798,260	804,730	1,037,166
Department of Agriculture	-	-	-	-
FEMA	-	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	-	-
Iowa Dept. of Economic Development	-	-	-	-
In-kind contributions	-	-	442,337	249,856
Utility Companies	-	-	-	-
CSBG budgeted co-funding	5,089	361	-	-
Other sources	-	-	7,180	11,974
Total revenues	<u>325,450</u>	<u>2,798,621</u>	<u>1,254,247</u>	<u>1,298,996</u>
Expenditures:				
Salaries and wages	-	-	415,373	578,722
Fringe benefits	-	-	113,009	175,935
Contracted services/consultants	-	-	38,661	53,516
Co-funding	-	-	-	-
Day care provider payments	-	-	-	-
Energy assistance/administrative	325,450	2,798,621	-	-
Food	-	-	-	-
Indirect costs	-	-	55,245	76,970
In-kind contributions	-	-	442,337	249,856
Insurance	-	-	-	-
Other	-	-	121,200	136,986
Space costs	-	-	-	-
Supplies	-	-	66,223	25,368
Telephone	-	-	-	-
Travel	-	-	2,199	1,643
Weatherization	-	-	-	-
Total expenditures	<u>325,450</u>	<u>2,798,621</u>	<u>1,254,247</u>	<u>1,298,996</u>
Change in net assets	-	-	-	-
Net assets at beginning of year	-	-	-	-
Transfer to administrative funds	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)



## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2006

	Jeff/Keokuk Child Care <u>Educator</u>	Van Buren Head Start <u>Ext. Hours</u>	Jeff./Keokuk Head Start <u>Ext. Hours</u>	Day Care Homes <u>9/30/2005</u>
Revenues:				
Governmental funding sources:				
Department of Energy	\$ -	-	-	-
Dept. of Health and Human Services	-	-	-	-
Department of Agriculture	-	-	-	175,675
FEMA	-	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	-	-
Iowa Dept. of Economic Development	-	-	-	-
In-kind contributions	-	-	-	-
Utility Companies	-	-	-	-
CSBG budgeted co-funding	247	-	-	1,599
Other sources	39,619	8,012	6,117	-
Total revenues	<u>39,866</u>	<u>8,012</u>	<u>6,117</u>	<u>177,274</u>
Expenditures:				
Salaries and wages	22,970	5,638	1,450	15,104
Fringe benefits	7,126	1,624	374	4,077
Contracted services/consultants	-	-	4,100	80
Co-funding	-	-	-	-
Day care provider payments	-	-	-	151,386
Energy assistance/administrative	-	-	-	-
Food	-	-	-	-
Indirect costs	3,055	750	193	2,009
In-kind contributions	-	-	-	-
Insurance	242	-	-	83
Other	2,077	-	-	2,323
Space costs	1,015	-	-	293
Supplies	1,857	-	-	847
Telephone	-	-	-	137
Travel	1,524	-	-	935
Weatherization	-	-	-	-
Total expenditures	<u>39,866</u>	<u>8,012</u>	<u>6,117</u>	<u>177,274</u>
Change in net assets	-	-	-	-
Net assets at beginning of year	-	-	-	-
Transfer to administrative funds	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)



## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2006

	Van Buren <u>VCSS</u>	Voc. <u>Rehab.</u>	FaDSS	Oak <u>Terrace</u>	Dads in <u>Recovery</u>
Revenues:					
Governmental funding sources:					
Department of Energy	\$ -	-	-	-	-
Dept. of Health and Human Services	-	-	172,980	-	-
Department of Agriculture	-	-	-	-	-
FEMA	-	-	-	-	-
Iowa Department of Human Services	-	-	153,398	-	-
Iowa Department of Public Health	-	-	-	-	-
Iowa Dept. of Economic Development	-	-	-	-	-
In-kind contributions	-	-	13,515	-	-
Utility Companies	-	-	-	-	-
CSBG budgeted co-funding	-	-	1,659	-	-
Other sources	<u>13,414</u>	<u>35,721</u>	<u>250</u>	<u>545</u>	<u>2,697</u>
Total revenues	<u>13,414</u>	<u>35,721</u>	<u>341,802</u>	<u>545</u>	<u>2,697</u>
Expenditures:					
Salaries and wages	5,675	878	208,470	356	-
Fringe benefits	1,884	155	56,467	71	-
Contracted services/consultants	-	34,569	-	-	-
Co-funding	-	-	-	-	-
Day care provider payments	-	-	-	-	-
Energy assistance/administrative	-	-	-	-	-
Food	-	-	-	-	-
Indirect costs	755	117	27,726	47	-
In-kind contributions	-	-	13,515	-	-
Insurance	-	-	-	-	-
Other	-	2	4,347	-	1,074
Space costs	-	-	10,599	-	1,103
Supplies	5,100	-	7,165	-	-
Telephone	-	-	4,785	71	-
Travel	-	-	8,728	-	520
Weatherization	-	-	-	-	-
Total expenditures	<u>13,414</u>	<u>35,721</u>	<u>341,802</u>	<u>545</u>	<u>2,697</u>
Change in net assets	-	-	-	-	-
Net assets at beginning of year	-	-	-	-	-
Transfer to administrative funds	-	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)



## SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Combining Statement of Activities - Program Funds (Continued)

For the Year Ended June 30, 2006

	ADLM <u>Nest</u>	ICAA Heating <u>Assistance</u>	Reclass <u>Indirect</u>	Total (Memo <u>Only</u> )
Revenues:				
Governmental funding sources:				
Department of Energy	\$ -	-	-	323,676
Dept. of Health and Human Services	-	-	-	6,006,292
Department of Agriculture	-	-	-	818,250
FEMA	-	-	-	4,052
Iowa Department of Human Services	-	-	-	773,145
Iowa Department of Public Health	-	-	-	538,921
Iowa Dept. of Economic Development	-	-	-	-
In-kind contributions	-	-	-	732,753
Utility Companies	-	-	-	644,928
CSBG budgeted co-funding	-	-	-	10,891
Other sources	8,000	395	-	808,247
Total revenues	<u>8,000</u>	<u>395</u>	<u>-</u>	<u>10,661,155</u>
Expenditures:				
Salaries and wages	-	-	-	2,443,317
Fringe benefits	-	-	-	691,311
Contracted services/consultants	-	395	-	534,158
Co-funding	-	-	-	10,893
Day care provider payments	-	-	-	612,119
Energy assistance/administrative	-	-	(16,537)	3,107,534
Food	-	-	-	104,760
Indirect costs	-	-	58,810	383,772
In-kind contributions	-	-	(24,531)	708,222
Insurance	-	-	-	17,196
Other	-	-	-	347,808
Space costs	-	-	-	132,946
Supplies	8,000	-	-	237,961
Telephone	-	-	-	34,298
Travel	-	-	-	65,268
Weatherization	-	-	(17,742)	1,129,592
Total expenditures	<u>8,000</u>	<u>395</u>	<u>-</u>	<u>10,561,155</u>
Change in net assets	-	-	-	100,000
Net assets at beginning of year	-	-	-	-
Transfer to administrative funds	-	-	-	(100,000)
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
HOUSING STABILIZATION UNIT  
DOE

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. DOE-05-15L			
For the Period April 1, 2005 through			
<u>March 31, 2006</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 235,479	235,479	-
Other income	-	1,010	(1,010)
	<u>235,479</u>	<u>236,489</u>	<u>(1,010)</u>
Expenses:			
Administration	22,659	13,437	9,222
Support	55,176	65,423	(10,247)
Health and safety	42,564	54,430	(11,866)
Labor	57,540	56,220	1,320
Materials	57,540	46,979	10,561
Total expenses	<u>235,479</u>	<u>236,489</u>	<u>(1,010)</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>
Contract No. DOE-06-15L			
For the Period April 1, 2006 through			
<u>June 30, 3006</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>241,792</u>	<u>241,792</u>	<u>-</u>
Expenses:			
Administration	23,347	8,272	15,075
Support	56,634	38,164	18,470
Health and safety	43,689	16,138	27,551
Labor	59,061	86,283	(27,222)
Materials	59,061	92,935	(33,874)
Total expenses	<u>241,792</u>	<u>241,792</u>	<u>-</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
HOUSING STABILIZATION UNIT  
HEAP

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. HEAP-05-15L For the Period April 1, 2005 <u>through March 31, 2006</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>375,471</u>	<u>349,556</u>	<u>25,915</u>
Expenses:			
Administration	19,575	12,635	6,940
Support	89,677	45,684	43,993
Health and safety	66,223	111,045	(44,822)
Labor	94,998	92,775	2,223
Materials	94,998	81,632	13,366
Equipment/training	<u>10,000</u>	<u>5,785</u>	<u>4,215</u>
Total expenses	<u>375,471</u>	<u>349,556</u>	<u>25,915</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Contract No. HEAP-06-15L For the Period April 1, 2006 <u>through June 30, 2006</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>333,260</u>	<u>47,337</u>	<u>285,923</u>
Expenses:			
Administration	17,290	262	17,028
Support	78,232	980	77,252
Health and safety	60,351	18,860	41,491
Labor	81,586	-	81,586
Materials	81,586	27,235	54,351
Equipment/training	<u>14,215</u>	<u>-</u>	<u>14,215</u>
Total expenses	<u>333,260</u>	<u>47,337</u>	<u>285,923</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
HOUSING STABILIZATION UNIT  
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. LIHEAP-05-15-L			
For the Period October 1, 2004			
<u>through September 30, 2005</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>1,976,669</u>	<u>1,968,846</u>	<u>7,823</u>
Expenses:			
Administration	139,231	140,495	(1,264)
Regular assistance (net of refunds of \$14,009)	1,404,859	1,398,354	6,505
Energy Crisis Intervention payments furnace repair	99,686	97,529	2,157
Emergency delivery	12,691	16,688	(3,997)
Emergency temporary shelter/blankets, etc	1,081	502	579
Client services	45,121	46,367	(1,246)
Summer deliverable fuel payments	<u>274,000</u>	<u>274,000</u>	<u>-</u>
Total expenses	<u>1,976,669</u>	<u>1,973,935</u>	<u>2,734</u>
Subtotal	-	(5,089)	5,089
Co-fund	<u>-</u>	<u>5,089</u>	<u>(5,089)</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>
Contract No. LIHEAP-06-15-L			
For the Period October 1, 2005			
<u>through June 30, 2006</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>3,049,224</u>	<u>2,798,260</u>	<u>250,964</u>
Expenses:			
Administration	162,491	148,108	14,383
Regular assistance (net of refunds of \$7,560)	2,512,193	2,499,877	12,316
Energy Crisis Intervention payments	111,672	112,034	(362)
Client services	46,078	38,602	7,476
Summer deliverable fuel payments	<u>216,790</u>	<u>-</u>	<u>216,790</u>
Total expenses	<u>3,049,224</u>	<u>2,798,621</u>	<u>250,603</u>
Subtotal	-	(361)	361
Co-fund	<u>-</u>	<u>361</u>	<u>(361)</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES – HEAD START

Schedule of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. 07CH6142/39			
For the Period December 1, 2004 through November 30, 2005			
Revenues:			
Grant award – Department of Health and Human Services	\$ 1,921,495	1,903,885	17,610
Grantee provided support	480,374	522,589	(42,215)
Other income	-	13,899	(13,899)
Total revenues	<u>2,401,869</u>	<u>2,440,373</u>	<u>(38,504)</u>
Expenses:			
OHD share:			
Head Start full year – part day (CAN No. 2005 G074122):			
Direct costs:			
Personnel	1,056,995	997,751	59,244
Fringe benefits	306,168	275,100	31,068
Travel	10,108	3,194	6,914
Equipment	5,000	-	5,000
Supplies	36,398	110,250	(73,852)
Contractual	84,541	88,558	(4,017)
Other	256,442	285,231	(28,789)
	<u>1,755,652</u>	<u>1,760,084</u>	<u>(4,432)</u>
Indirect costs	<u>140,844</u>	<u>132,701</u>	<u>8,143</u>
	<u>1,896,496</u>	<u>1,892,785</u>	<u>3,711</u>
Head Start Training and Technical Assistance (CAN No. 2005 G074120):			
Direct costs:			
Travel	4,200	6,767	(2,567)
Supplies	584	430	154
Contractual	9,600	433	9,167
Other	10,615	17,369	(6,754)
	<u>24,999</u>	<u>24,999</u>	<u>-</u>
Grantee share:			
Grantee (note 11)	<u>480,374</u>	<u>522,589</u>	<u>(42,215)</u>
Total expenses	<u>2,401,869</u>	<u>2,440,373</u>	<u>(38,504)</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
DEPARTMENT OF HEALTH AND HUMAN  
SERVICES – HEAD START

Schedule of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. 07CH6142/40			
For the Period December 1, 2005			
<u>through June 30, 2006</u>			
Revenues:			
Grant award – Department of Health and Human Services	\$ 1,891,312	1,037,166	854,146
Grantee provided support	472,828	249,856	222,972
Other income	-	11,974	(11,974)
Total revenues	2,364,140	1,298,996	1,065,144
Expenses:			
OHD share:			
Head Start full year – part day (CAN No. 2006 G074122):			
Direct costs:			
Personnel	1,063,996	578,722	485,274
Fringe benefits	308,559	175,935	132,624
Travel	11,000	2,917	8,083
Equipment	5,000	-	5,000
Supplies	40,348	25,368	14,980
Contractual	79,743	51,511	28,232
Other	216,156	127,767	88,389
	1,724,802	962,220	762,582
Indirect costs	141,511	76,970	64,541
	1,866,313	1,039,190	827,123
Head Start Training and Technical Assistance (CAN No. 2006 G074120):			
Direct costs:			
Travel	4,825	731	4,094
Supplies	334	-	334
Contractual	7,271	-	7,271
Other	12,569	9,219	3,350
	24,999	9,950	15,049
Grantee share:			
Grantee (note 11)	472,828	249,856	222,972
Total expenses	2,364,140	1,298,996	1,065,144
Total	\$ -	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
CHILD AND ADULT CARE FOOD PROGRAM  
– DAY CARE HOMES

Schedule of Revenues and Expenses

	Actual
Contract No. 90-8017	
For the Period October 1, 2004	
<u>Through September 30, 2005</u>	
Revenues:	
Iowa Department of Education	\$ <u>675,915</u>
Expenses:	
Personnel costs	60,847
Fringe benefits	16,814
Travel	3,542
Space costs	859
Supplies	5,422
Printing/copier	2,024
Telephone	421
Postage/freight	1,774
Indirect costs	8,093
Other	2,235
Day care provider payments	<u>575,483</u>
Total expenses	<u>677,514</u>
Subtotal	(1,599)
Cofund	<u>1,599</u>
Total	\$ <u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
CHILD DEVELOPMENT DIVISION  
CHILD AND ADULT CARE FOOD PROGRAM  
– DAY CARE HOMES

Schedule of Revenues and Expenses

	Actual
Contract No. 90-8017	
For the Period October 1, 2005	
<u>through June 30, 2006</u>	
Revenues:	
Iowa Department of Education	\$ 536,003
Expenses:	
Personnel costs	45,087
Fringe benefits	11,782
Supplies	1,770
Travel	3,075
Space costs	861
Printing/copier	2,432
Telephone	338
Other	2,409
Postage and supplies	1,519
Indirect costs	5,997
Day care provider payments	460,733
Total expenses	536,003
Total	\$ -

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
DRUG AND ALCOHOL SERVICES  
TREATMENT

Schedule of Revenues and Expenses

	Actual
Contract No. SIEDADPH	
For the Period July 1, 2005	
<u>through June 30, 2006</u>	
Revenues:	
Grant award -- Iowa Division of Substance Abuse:	
Counseling	\$ 540,560
Federal Probation Revenue	21,244
PRI Grant	6,289
ADDS Grant	7,917
OWI Class/Point 05	20,451
Client fees/insurance proceeds	206,802
Other	250
Total revenues	803,513
Expenses:	
Salaries	421,520
Fringe benefits	124,167
Contractors	62,119
Advertising	2,286
Other	763
Indirect costs	56,062
Insurance	6,133
Postage	6,625
Space	59,553
Supplies	38,678
Telephone	11,491
Travel	14,008
Equipment	108
Total expenses	803,513
Total	\$ -

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
 DRUG AND ALCOHOL SERVICES  
 PREVENTION

Schedule of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. 5886CP21			
For the Period July 1, 2005			
<u>through June 30, 2006</u>			
Revenues:			
Grant award – Iowa Division of Substance Abuse			
– Prevention	\$ 139,082	139,082	-
Client fees	-	1,700	(1,700)
Miscellaneous income	-	4,110	(4,110)
Total revenues	<u>139,082</u>	<u>144,892</u>	<u>(5,810)</u>
Expenses:			
Salaries and benefits	102,022	104,730	(2,708)
Contracted services	2,000	1,378	622
Computer presentation software/equipment	2,200	-	2,200
Other	22,341	28,092	(5,751)
Indirect costs	10,519	10,692	(173)
Total expenses	<u>139,082</u>	<u>144,892</u>	<u>(5,810)</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
FAMILY DEVELOPMENT  
COMMUNITY SERVICES BLOCK GRANT

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. CSBG-05-15-CL			
For the Period October 1, 2004			
<u>Through June 30, 2006</u>			
Revenues:			
Division of Community Action Agencies	\$ 354,000	249,368	104,632
Miscellaneous income	-	-	-
	<u>354,000</u>	<u>249,368</u>	<u>104,632</u>
Expenses:			
Personnel costs	235,726	163,269	72,457
Travel	8,100	5,511	2,589
Space costs	32,800	18,508	14,292
Co-funded programs	10,000	10,893	(893)
Other costs	43,071	34,200	8,871
Indirect costs	24,303	16,987	7,316
Total expenses	<u>354,000</u>	<u>249,368</u>	<u>104,632</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>
Contract No. CSBG-04-15-CL			
For the Period October 1, 2003			
<u>Through September 30, 2005</u>			
Revenues:			
Division of Community Action Agencies	\$ 363,308	363,308	-
Miscellaneous income	-	646	(646)
	<u>363,308</u>	<u>363,954</u>	<u>(646)</u>
Expenses:			
Personnel costs	248,737	246,102	2,635
Travel	8,250	8,007	243
Space costs	33,400	29,729	3,671
Consultants/co-funded programs	7,000	8,005	(1,005)
Other costs	39,242	46,227	(6,985)
Indirect costs	26,679	25,884	795
Total expenses	<u>363,308</u>	<u>363,954</u>	<u>(646)</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION  
 FAMILY DEVELOPMENT  
 FAMILY DEVELOPMENT AND  
 SELF SUFFICIENCY DEMONSTRATION GRANT

Schedule of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. FaDSS-06-15-FL			
For the Period July 1, 2005			
<u>through June 30, 2006</u>			
Revenues:			
Grant award – Iowa Department of Human Services	\$ 326,378	326,378	-
Other income (In-Kind)	200	200	-
	<u>326,578</u>	<u>326,578</u>	<u>-</u>
Expenses:			
Base:			
Administrative	27,849	27,727	122
Salaries	206,287	208,470	(2,183)
Benefits	55,697	54,823	874
Travel	7,995	8,728	(733)
Space/utilities	11,000	10,584	416
Other costs	17,550	16,046	1,504
	<u>326,378</u>	<u>326,378</u>	<u>-</u>
Local funds:			
Third party payments	200	200	-
	<u>200</u>	<u>200</u>	<u>-</u>
Total expenses	<u>326,578</u>	<u>326,578</u>	<u>-</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

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*

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

Schedule of Findings and Questioned Costs/  
Summary Schedule of Prior Audit Findings

June 30, 2006

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*

Board of Directors  
Southern Iowa Economic Development Association  
Ottumwa, Iowa

We have audited the financial statements of the Southern Iowa Economic Development Association (SIEDA) as of and for the year ended June 30, 2006, and have issued our report thereon dated August 2, 2006, which was modified due to the omission of the recognition of depreciation of fixed assets and accrued compensated absences. 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 the Southern Iowa Economic Development Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Southern Iowa Economic Development Association'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*.

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

This report, a public record by law, is intended solely for the information and use of the Board of Directors, 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 parties.

*Theobald, Donohue & Thompson, P.C.*

Sigourney, Iowa  
August 2, 2006

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

Board of Directors  
Southern Iowa Economic Development Association  
Ottumwa, Iowa

## **Compliance**

We have audited the compliance of the Southern Iowa Economic Development Association 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. The Southern Iowa Economic Development Association'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 the Southern Iowa Economic Development Association's management. Our responsibility is to express an opinion on the Southern Iowa Economic Development Association'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 the Southern Iowa Economic Development Association'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 the Southern Iowa Economic Development Association's compliance with those requirements.

In our opinion, the Southern Iowa Economic Development Association 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 the Southern Iowa Economic Development Association 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 the Southern Iowa Economic Development Association'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, a public record by law, is intended solely for the information and use of the Board of Directors, 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.

*Thiebald, Donohue & Thompson, P.C.*

Sigourney, Iowa  
August 2, 2006

# SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

## Schedule of Findings and Questioned Costs For the Year Ended June 30, 2006

- 1) Summary of auditors' audit results:
  - a) Auditor issued a qualified report on the financial statements due to lack of recognition of depreciation and accrued compensated absences.
  - b) There were no reportable conditions in internal control reported.
  - c) There audit did not disclose any noncompliance which is material to the financial statements.
  - d) There were no reportable conditions in internal control over major programs disclosed by the audit.
  - e) Auditor issued an unqualified opinion on compliance with requirements applicable to each major program.
  - f) The audit disclosed no audit findings which the auditor is required to report.
  - g) The following programs were considered to be major programs:
    - i) DOE – Weatherization Assistance for Low Income Persons, CFDA #81.042
    - ii) Community Services Block Grant, CFDA #93.569
    - iii) Low Income Home Energy Assistance Program – Weatherization, CFDA #93.568
    - iv) Low Income Home Energy Assistance Program – Energy Assistance, CFDA #93.568
  - h) The threshold between a Type A and Type B program was \$300,000.
  - i) The auditee qualified as a low-risk auditee.
- 2) There were no findings related to the financial statements which are required to be reported in accordance with GAGAS.
- 3) There were no findings and questioned costs for Federal awards.

### Summary Schedule of Prior Audit Findings

<u>Questioned Program</u>	<u>Findings/Noncompliance</u>	<u>Costs</u>
	None	