



GRANT WOOD AREA EDUCATION AGENCY 10  
Cedar Rapids, Iowa

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2007



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GRANT WOOD AREA EDUCATION AGENCY 10

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Board of Directors:		
Dr. Lynne Cannon	President	2007
James C. Green	Vice President	2007
Janet Martin	Director	2007
Marlene L. Hill	Director	2008
Robert Schneider	Director	2008
Mary Meisterling	Director	2008
Randall W. Jordison	Director	2009
Sue Gates	Director	2009
Morris Greenfield	Director	2009
Agency:		
Ronald S. Fielder	Chief Administrator	
Barbara Harms	Business Manager/Treasurer	
Kim Martin	Board Secretary	

## Independent Auditor's Report

Board of Directors  
Grant Wood Area Education Agency 10  
Cedar Rapids, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant Wood Area Education Agency 10 as of and for the year ended June 30, 2007, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Agency officials. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Grant Wood Area Education Agency 10 as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2008 on our consideration of Grant Wood Area Education Agency 10'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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 5 through 10 and 32 through 33 are not required parts 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 inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grant Wood Area Education Agency 10's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the seven years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 5, including the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Clifton Henderson LLP*

Cedar Rapids, Iowa  
March 10, 2008

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Grant Wood Area Education Agency provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2007. We encourage readers to consider this information in conjunction with the Agency's financial statements, which follow.

### **2007 FINANCIAL HIGHLIGHTS**

- General Fund Revenues increased from \$38,411,642 in fiscal year 2006 (FY06) to \$39,835,175 in fiscal year 2007 (FY07), while General Fund Expenditures increased from \$37,886,675 in FY06 to \$39,107,992 in FY07. General Fund net change in fund balance increased from \$253,821 in FY06 to \$365,636 in FY07. This resulted in an increase in the Agency's General Fund fund balance from \$3,481,434 in FY06 to \$3,847,070 in FY07.
- The increase in General Fund revenues was attributable to increased state controlled funding and local grant revenue in FY07. The increase in expenditures was due primarily to an increase in services provided to local school districts and costs associated with increased salaries and benefits.

### **USING THIS ANNUAL REPORT**

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

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Agency's financial activities.
- The Agency-wide Financial Statements consist of a statement of net assets and a statement of activities. These provide information about the activities of Grant Wood Area Education Agency as a whole and present an overall view of the Agency's finances.
- The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the Agency's operations in more detail than the agency-wide statements by providing information about the most significant funds.
- Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.
- Required Supplementary Information further explains and supports the financial statements with a comparison of the Agency's budget for the year, and Supplementary Information provides detailed information about other items of interest.

## REPORTING THE AGENCY AS A WHOLE

### The Statement of Net Assets and the Statement of Activities

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

The two Agency-wide statements report the Agency's net assets and how they have changed. Net assets - the difference between the Agency's assets and liabilities - are one way to measure the Agency's financial health or position.

- Over time, increases or decreases in the Agency's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the Agency's overall health, additional non-financial factors, such as changes in the Agency's property tax base and the condition of its facilities, need to be considered.

In the Agency-wide financial statements, there are two categories of activities:

- *Governmental activities:* Represent basic Agency services; such as regular and special education instructions, student and instructional staff support services and administration. Property taxes from local school districts, federal, and state aid finance most of these activities. All of Grant Wood Area Education Agency's services fall into this category.
- *Business-type activities:* Represent activities where the Agency charges fees to cover the costs of providing the service. The Agency has no activities that fall into this category.

### The Fund Financial Statements

The fund financial statements provide detailed information about the Agency's funds, focusing on its most significant or "major" funds - not the Agency as a whole. Funds are accounting devices the Agency uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law or by bond covenants. The Agency establishes other funds to control and manage money for particular purposes, such as accounting for major construction projects or to show that it is properly using certain revenues, such as federal grants.

The Agency has two kinds of funds:

- 1) *Governmental funds* account for most of the Agency's basic services. These focus on how cash and other financial assets that can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Agency's programs. Because this information does not encompass the additional long-term focus of the Agency-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements. The Agency's governmental funds include: 1) the General Fund, 2) the Special Revenue Funds, and 3) the Debt Service Fund.

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

- 2) *Fiduciary funds* account for assets held by the Agency as an agent for individuals, private organizations, or other governments that cannot be used to support their own governmental activities or programs. The fiduciary funds held by Grant Wood are agency fund types, held on a temporary, purely custodial basis, therefore, these activities are not included in the Agency's agency-wide financial statements.

The fiduciary funds required financial statements include a statement of fiduciary net assets and a statement of changes in fiduciary net assets. However agency type funds do not have net assets, therefore, this statement is not prepared.

A summary reconciliation between the Agency-wide financial statements and the fund financial statements follows the fund financial statements.

### AGENCY-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Grant Wood Area Education Agency's net assets at the end of fiscal year 2007 totaled approximately \$8.8 million. This compared to approximately \$8.9 million at the end of fiscal 2006. The analysis that follows focuses on the net assets and changes in net assets. The agency does not have business-type activities.

	<b>Condensed Statement of Net Assets (In Thousands)</b>	
	<b>Governmental Activities</b>	
	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 10,908	\$ 9,795
Capital assets	<u>6,099</u>	<u>6,629</u>
Total assets	<u>17,007</u>	<u>16,424</u>
Long-term obligations	1,926	2,025
Other liabilities	<u>6,294</u>	<u>5,507</u>
Total liabilities	<u>8,220</u>	<u>7,532</u>
Net assets:		
Invested in capital assets, net of related debt	4,459	4,784
Restricted	1,342	1,279
Unrestricted	<u>2,986</u>	<u>2,829</u>
Total net assets	<u>\$ 8,787</u>	<u>\$ 8,892</u>

The Agency's combined net assets decreased by approximately \$105,000 during fiscal year 2007 due to depreciation of capital assets.

The following analysis details the changes in net assets of Grant Wood Area Education Agency's activities.

	<b>Changes in Net Assets (In Thousands)</b>			
	<b>Governmental Activities</b>			
	<u>2007</u>	<u>%</u>	<u>2006</u>	<u>%</u>
Revenues:				
Program revenues:				
Charges for services	\$ 5,924	14%	\$ 4,649	11%
Operating grants and contributions	15,367	36%	16,530	40%
General revenues:				
Property taxes passed through district	9,646	23%	9,242	23%
State foundation aid	11,250	26%	10,182	25%
Unrestricted investment earnings	<u>107</u>	<u>1%</u>	<u>90</u>	<u>1%</u>
Total revenues	<u>42,294</u>	<u>100%</u>	<u>40,693</u>	<u>100%</u>
Program expenses:				
Instruction	3,220	8%	2,864	7%
Student support services	17,616	41%	16,339	40%
Instructional staff support services	11,546	27%	12,469	31%
General administration	1,862	4%	1,347	3%
Building administration	1,938	4%	1,613	4%
Business administration	3,999	9%	3,894	9%
Plant operations and maintenance	767	1%	669	1%
Central and other support services	132	1%	230	1%
Non-instructional programs	1,156	3%	1,069	2%
Unallocated	88	1%	74	1%
Long-term debt interest	<u>75</u>	<u>1%</u>	<u>85</u>	<u>1%</u>
Total expenses	<u>42,399</u>	<u>100%</u>	<u>40,653</u>	<u>100%</u>
Change in net assets	<u>(105)</u>		<u>40</u>	
Net assets, beginning of year, as previously reported	8,892		8,949	
Cumulative effect of change in accounting principle, termination benefits	-		(155)	
Prior period adjustment to correct an error in recording a grant receivable	<u>-</u>		<u>58</u>	
Net asset, beginning of year as restated	<u>8,892</u>		<u>8,852</u>	
Net assets, end of year	<u>\$ 8,787</u>		<u>\$ 8,892</u>	

Increases in controlled funding in both property taxes and state aid account for the majority of the increase in total revenues. The increase in total expenses are primarily in the categories of instruction, student support services and instructional staff support services.

## **Governmental Activities**

Revenues for governmental activities were \$42,293,836 in FY07 and \$40,692,623 in FY06 and expenses were \$42,398,143 in FY07 and \$40,653,072 in FY06. In a tight budget year with unstable future funding sources, the Agency was able to implement cost saving measures and utilize some of the carryover balance to provide services to local school districts.

## **FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS**

As previously noted, Grant Wood Area Education Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Agency's Governmental Funds reported combined fund balances of \$4,736,425, above last year's ending fund balances of \$4,357,970. The increase was primarily in the General Fund and occurred due to revenue levels (3.7% increase) that exceeded the growth of expenditures (3.2% increase).

## **BUDGETARY HIGHLIGHTS**

The Agency's Board of Directors annually adopts a budget on a basis consistent with U.S. generally accepted accounting principles. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure level, not at the fund or fund type level. After required public notice and hearing in accordance with the Code of Iowa, the Board submits its budget to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board. Over the course of the year, the Agency amended its annual operating budget one time to reflect an increase in federal funding and adjustments to revenue and expenditures associated with the services needed and provided to the local school districts. A schedule showing the original and final budget amounts compared to the Agency's actual financial activity is included in the required supplementary information section of this report.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2007, the Agency had invested \$6.1 million, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, computers, equipment, and an extensive library/media collection. This is a net decrease of approximately \$530,000 from last year.

Grant Wood Area Education Agency had depreciation expense of \$1,013,240 in FY07 and total accumulated depreciation of \$8,759,677 at June 30, 2007. More detailed information about capital assets is available in Note 3 to the financial statements.

### **Debt**

At June 30, 2007, the Agency had \$1,640,000 in long-term debt outstanding compared to \$1,845,000 at June 30, 2006. The long-term debt is in the form of certificates of participation. More detailed information about the Agency's long-term liabilities is available in Note 5 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the Agency was aware of several existing circumstances that could significantly affect its financial health in the future:

- The Agency has experienced an increase in the number of students being served by its programs for the past five years. A slight increase in enrollment is expected and included in the FY08 budget.
- Federal funds, which make up approximately 38% of General Fund revenues, are expected to show little or no growth in the near future. This continued trend will have a significant impact on the Agency.
- In recent years, growth in employee wages and benefits has outpaced the increase in State controlled funding. This relationship has profound effects on the General Fund budget as 70% of all expenditures are related to staff salaries and benefits. At this point, staff reductions are not anticipated for fiscal year 2009.

## **CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Agency's citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office of Grant Wood Area Education Agency, 4401 6<sup>th</sup> Street SW, Cedar Rapids, Iowa 52404.

## **BASIC FINANCIAL STATEMENTS**

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**STATEMENT OF NET ASSETS**  
**June 30, 2007**

**Exhibit A**

**ASSETS**

Cash and pooled investments	\$ 2,070,179
Receivables:	
Accounts	106,563
Due from other governments	8,498,528
Due from other funds	6,510
Inventories	71,489
Prepaid expenses	155,268
Capital assets, net of accumulated depreciation	<u>6,098,534</u>
Total assets	<u>17,007,071</u>

**LIABILITIES**

Accounts payable	2,080,123
Salaries and benefits payable	2,056,330
Agency fund payable	376,984
Warrants in excess of bank balance	1,335,735
Accrued other	435,564
Deferred revenue:	
Local	9,412
Long-term liabilities:	
Portion due or payable within one year:	
Early retirement benefits payable	65,700
Certificates of participation	200,000
Portion due or payable after one year:	
Early retirement benefits payable	220,000
Certificates of participation	<u>1,440,000</u>
Total liabilities	<u>8,219,848</u>

**NET ASSETS**

Invested in capital assets, net of related debt	4,458,534
Restricted for:	
Media materials	502,170
Educational service projects	360,858
Special education instruction	181,321
Debt service	298,782
Unrestricted	<u>2,985,558</u>
Total net assets	<u>\$ 8,787,223</u>

The accompanying notes are an integral part of the financial statements.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2007**

**Exhibit B**

	Program revenues			Net Revenue (Expense) and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>FUNCTIONS / PROGRAMS</b>				
Governmental activities:				
Instruction	\$ 3,219,639	\$ 2,656,922	\$ 459,844	\$ (102,873)
Student support services	17,616,160	254,103	13,454,105	(3,907,952)
Instructional staff support services	11,545,834	1,622,679	859,596	(9,063,559)
General administration	1,862,037	67,117	-	(1,794,920)
Building administration	1,937,768	2,280	-	(1,935,488)
Business administration	3,998,880	13,106	-	(3,985,774)
Plant operations and maintenance	766,563	3,549	-	(763,014)
Central and other support services	132,025	1,256,624	202,164	1,326,763
Non instructional programs	1,156,367	-	-	(1,156,367)
Unallocated	88,115	47,468	390,983	350,336
Debt Service	74,755	-	-	(74,755)
	<u>\$ 42,398,143</u>	<u>\$ 5,923,848</u>	<u>\$ 15,366,692</u>	<u>(21,107,603)</u>
 <b>GENERAL REVENUES</b>				
Property taxes passed through from districts				9,645,508
State foundation aid				11,250,135
Unrestricted investment earnings				107,653
				<u>21,003,296</u>
 <b>CHANGE IN NET ASSETS</b>				
				<u>(104,307)</u>
 <b>NET ASSETS, BEGINNING OF YEAR</b>				
				<u>8,891,530</u>
 <b>NET ASSETS, END OF YEAR</b>				
				<u>\$ 8,787,223</u>

The accompanying notes are an integral part of the financial statements.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2007**

**Exhibit C**

	<u>General</u>	<u>Special Revenue Off-Site Programs</u>	<u>Nonmajor</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and pooled investments	\$ 1,350,283	\$ -	\$ 719,896	\$ 2,070,179
Receivables:				
Accounts	36,274	13,132	57,157	106,563
Due from other governments	6,890,065	1,608,463	-	8,498,528
Due from agency fund	6,510	-	-	6,510
Inventories	71,489	-	-	71,489
Prepaid expenses	155,268	-	-	155,268
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total assets</b>	<u>\$ 8,509,889</u>	<u>\$ 1,621,595</u>	<u>\$ 777,053</u>	<u>\$ 10,908,537</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,030,148	\$ 37,504	\$ 12,471	\$ 2,080,123
Salaries and benefits payable	1,810,711	82,808	40,775	1,934,294
Agency fund payable	376,984	-	-	376,984
Warrants in excess of bank balance	-	1,319,962	15,773	1,335,735
Accrued other	435,564	-	-	435,564
Deferred revenue:				
Local	9,412	-	-	9,412
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities</b>	<u>4,662,819</u>	<u>1,440,274</u>	<u>69,019</u>	<u>6,172,112</u>
 Fund balances:				
Reserved for:				
Encumbrances	688,764	-	-	688,764
Inventories	71,489	-	-	71,489
Debt service	-	-	298,782	298,782
Unreserved:				
Designated for subsequent years expenditures	1,200,747	-	-	1,200,747
Undesignated, reported in:				
General fund	1,886,070	-	-	1,886,070
Special revenue funds	-	181,321	130,404	311,725
Debt service fund	-	-	278,848	278,848
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total fund balances</b>	<u>3,847,070</u>	<u>181,321</u>	<u>708,034</u>	<u>4,736,425</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total liabilities and fund balances</b>	<u>\$ 8,509,889</u>	<u>\$ 1,621,595</u>	<u>\$ 777,053</u>	<u>\$ 10,908,537</u>

The accompanying notes are an integral part of the financial statements.

GRANT WOOD AREA EDUCATION AGENCY 10  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2007

Exhibit D

Total fund balances of governmental funds (page 14) \$ 4,736,425

*Amounts reported for governmental activities in the  
statement of net assets are different because:*

Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported as assets in the  
governmental funds 6,098,534

Long-term liabilities, including certificates of participation,  
compensated absences and early retirement benefits are  
not due and payable in the current period and, therefore, are  
not reported as liabilities in the governmental funds (2,047,736)

**Net assets of governmental activities (page 13) \$ 8,787,223**

The accompanying notes are an integral part of the financial statements.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2007**

	<u>General</u>	<u>Special Revenue Off-Site Programs</u>	<u>Nonmajor</u>	<u>Total</u>
<b>REVENUES</b>				
Local sources	\$ 13,259,535	\$ 1,781,883	\$ -	\$ 15,041,418
State sources	11,588,144	9,091	667,687	12,264,922
Federal sources	14,987,496	-	-	14,987,496
	<u>39,835,175</u>	<u>1,790,974</u>	<u>667,687</u>	<u>42,293,836</u>
Total revenues				
<b>EXPENDITURES</b>				
Instruction	690,938	1,808,502	719,132	3,218,572
Student support services	17,612,480	-	-	17,612,480
Instructional staff support services	11,276,485	-	-	11,276,485
General administration	1,781,740	-	-	1,781,740
Building administration	1,937,768	-	-	1,937,768
Business administration	3,887,997	-	-	3,887,997
Plant operations and maintenance	757,681	-	-	757,681
Central and other support services	10,979	-	-	10,979
Non instructional programs	1,151,924	-	-	1,151,924
Debt service	-	-	279,755	279,755
	<u>39,107,992</u>	<u>1,808,502</u>	<u>998,887</u>	<u>41,915,381</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>727,183</u>	<u>(17,528)</u>	<u>(331,200)</u>	<u>378,455</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	361,547	361,547
Transfers out	(361,547)	-	-	(361,547)
	<u>(361,547)</u>	<u>-</u>	<u>361,547</u>	<u>-</u>
Total other financing sources (uses)				
Excess of revenues and other financing sources (uses) over (under) expenditures	<u>365,636</u>	<u>(17,528)</u>	<u>30,347</u>	<u>378,455</u>

Exhibit E

	<u>General</u>	<u>Special Revenue Off-Site Programs</u>	<u>Nonmajor</u>	<u>Total</u>
FUND BALANCES, BEGINNING OF YEAR	<u>3,481,434</u>	<u>198,849</u>	<u>677,687</u>	<u>4,357,970</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,847,070</u>	<u>\$ 181,321</u>	<u>\$ 708,034</u>	<u>\$ 4,736,425</u>

The accompanying notes are an integral part of the financial statements.

**GRANT WOOD AREA EDUCATION AGENCY 10  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2007**

Exhibit F

Net change in fund balances - Total governmental funds (page 16) \$ 378,455

***Amounts reported for governmental activities in the  
Statement of Activities are different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, these costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays	\$ 554,591	
Depreciation expense	(1,013,240)	
Loss on dispositions	<u>(71,786)</u>	(530,435)

Repayment of long-term debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities 205,000

Net compensated absences and early retirement benefit expenditures reported in the governmental funds were expensed in a prior year, therefore, were not reported as expenses in the Statement of Activities (157,327)

**Change in net assets of governmental activities (page 13) \$ (104,307)**

The accompanying notes are an integral part of the financial statements.

GRANT WOOD AREA EDUCATION AGENCY 10  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS - AGENCY  
June 30, 2007

Exhibit G

**ASSETS**

Accounts receivable	\$ 224,863
Due from other governments	76,662
General fund receivable	<u>376,984</u>

**Total assets** \$ 678,509

**LIABILITIES**

Accounts payable	\$ 154,374
Salaries payable	19,761
General fund payable	6,510
Deposits held in custody of others	<u>497,864</u>

**Total liabilities** \$ 678,509

The accompanying notes are an integral part of the financial statements.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(1) Summary of Significant Accounting Policies**

Grant Wood Area Education Agency 10 (Agency) is an intermediate school corporation established to identify and serve children who require special education. The Agency also provides media services and education support services. These programs and support services are provided to 68 school districts and private schools in a seven-county area. The Agency is governed by a Board of Directors whose members are elected on a non-partisan basis.

**A. Reporting Entity**

For financial reporting purposes, Grant Wood Area Education Agency 10 has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The Agency has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Agency are such that exclusion would cause the Agency's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Agency. Grant Wood Area Education Agency 10 has no component units which meet the Governmental Accounting Standards Board criteria.

**B. Basis of Presentation**

Agency-wide financial statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the Agency's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

(1) **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation (continued)

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

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

Fund Financial Statements - Separate financial statements are provided for governmental funds. The major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other nonmajor governmental funds.

The Agency reports the following major governmental funds:

The General Fund is the general operating fund of the Agency. All general revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

The Special Revenue - Off-site Programs fund is used to account for special education instruction costs held off-site. The actual costs of providing instructional services are billed to the individual school districts.

The Agency reports the following nonmajor governmental funds:

The Special Revenue - Pool Transportation Fund is used to account for the transportation costs shared by districts included in the special education pool.

The Special Revenue - Juvenile Home Fund is used to account for the special education instruction costs provided to the Juvenile Home. The actual costs of providing instructional services is billed to the State of Iowa.

The Debt Service Fund is used to account for the accumulation of resources for and the payment of long-term debt principal, interest and related costs.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

(1) **Summary of Significant Accounting Policies** (continued)

B. Basis of Presentation (continued)

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

C. Measurement Focus and Basis of Accounting

The Agency-wide financial statements are reported using the economic resources measurement focus. The Agency-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year end.

Intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. 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.

D. Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

(1) **Summary of Significant Accounting Policies** (continued)

E. Assets, Liabilities and Fund Equity

Cash, Pooled Investments and Cash Equivalents - Cash includes amounts in demand deposits and money market funds. Investments are stated at fair value except for the investment in the Iowa Schools Joint Investment Trust which is valued at amortized cost.

All short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Inventories - Inventories are stated at cost using the first-in, first-out method and consist of expendable supplies and materials. The cost of these items is recorded as an expenditure at the time of consumption.

Capital Assets - Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental activities columns in the Agency-wide statement of net assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the Agency as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

Land	\$ 1,000
Buildings	1,000
Improvements other than buildings	1,000
Furniture and equipment	1,000
Library books and film	Cost

Property, furniture, and equipment are depreciated using the straight-line method of depreciation and library books are depreciated using the composite method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50
Improvements other than buildings	20
Furniture and equipment	5
Library books and film	10

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(1) Summary of Significant Accounting Policies (continued)**

**E. Assets, Liabilities and Fund Equity (continued)**

Salaries and Benefits Payable - Payroll and related expenses for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

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

Compensated Absences - Agency employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. A liability has been recorded in the statement of net assets representing the Agency's commitment to fund non-current compensated balances. This liability has been computed based on rates of pay in effect at June 30, 2007. The compensated absences liability attributable to the governmental activities will be paid primarily by the General and Special Revenue Funds.

Early Retirement Benefit Payable - In the Agency-wide statement of net assets, this account represents the present value of the expected health and life insurance costs payable on behalf of employees who elect to early retire.

Long-term Obligations - In the Agency-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statement of net assets.

Fund Balances - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets - In the Agency-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

**(2) Cash and Pooled Investments**

The Agency's deposits in banks totaling \$1,626,061 (carrying value of \$1,771,397) at June 30, 2007 were entirely covered by federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. The chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(2) Cash and Pooled Investments (continued)**

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

The Agency's investments at June 30, 2007 consisted of the following:

	<u>Cost</u>	<u>Fair Value</u>
Money market held at brokerage firm	\$ <u>202,452</u>	\$ <u>202,452</u>

The Agency had investments in the Iowa Schools Joint Investment Trust Diversified Portfolio which are valued at an amortized cost of \$96,330 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

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

**Credit risk.** The investment in the Iowa Schools Joint Investment Trust is rated Aaa by Moody's Investors Service.

**(3) Capital Assets**

Capital assets activity for the year ended June 30, 2007 is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ <u>242,350</u>	\$ <u>17,805</u>	\$ <u>-</u>	\$ <u>260,155</u>
Capital assets being depreciated:				
Buildings	5,944,794	-	-	5,944,794
Leasehold improvements	611,686	-	-	611,686
Furniture and equipment	4,046,887	252,013	355,693	3,943,207
Library books and film	<u>4,111,033</u>	<u>284,773</u>	<u>297,437</u>	<u>4,098,369</u>
Total assets being depreciated	<u>14,714,400</u>	<u>536,786</u>	<u>653,130</u>	<u>14,598,056</u>

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

(3) **Capital Assets** (continued)

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Less accumulated depreciation for:				
Buildings	2,599,761	118,896	-	2,718,657
Leasehold improvements	110,434	30,584	-	141,018
Furniture and equipment	2,443,940	453,923	283,907	2,613,956
Library books and film	<u>3,173,646</u>	<u>409,837</u>	<u>297,437</u>	<u>3,286,046</u>
Total accumulated depreciation	<u>8,327,781</u>	<u>1,013,240</u>	<u>581,344</u>	<u>8,759,677</u>
Total capital assets being depreciated, net	<u>6,386,619</u>	<u>(476,454)</u>	<u>71,786</u>	<u>5,838,379</u>
Governmental activities capital assets, net	<u>\$6,628,969</u>	<u>\$ (458,649)</u>	<u>\$ 71,786</u>	<u>\$6,098,534</u>

Depreciation expense was charged to functions of the Agency as follows:

Governmental activities:

Instruction	\$ 2,039
Student support services	7,030
Instructional staff support services	514,513
General administration	153,384
Business administration	10,856
Plant operations and maintenance	16,966
Central and other support services	131,649
Non instructional programs	8,488
Unallocated	<u>168,315</u>

Total governmental activities depreciation expense \$1,013,240

(4) **Changes in Short-Term Liabilities**

A summary of the changes in short-term liabilities for the year ended June 30, 2007 is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>
Anticipatory warrants	<u>\$ -</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$ -</u>

The proceeds of the anticipatory warrants were used to cover temporary operating shortfalls.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(5) Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2007 is as follows:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Early retirement benefit payable	\$ 180,500	\$ 157,349	\$ 52,149	\$ 285,700	\$ 65,700
Certificates of participation	<u>1,845,000</u>	<u>-</u>	<u>205,000</u>	<u>1,640,000</u>	<u>200,000</u>
	<u>\$2,025,500</u>	<u>\$ 157,349</u>	<u>\$ 257,149</u>	<u>\$1,925,700</u>	<u>\$ 265,700</u>

Early Retirement Benefit Payable

See Note 10 for a description of the plan. The following is a schedule by year of the future estimated minimum payments required:

<u>Year Ending June 30</u>	<u>Amount</u>
2008	\$ 65,700
2009	56,300
2010	48,500
2011	40,000
2012	32,500
2013-2016	<u>42,700</u>
<b>Total</b>	<b><u>\$ 285,700</u></b>

Certificates of Participation

The Agency has sold certificates of participation for land, facilities and improvements. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement. The certificates mature over a period of fifteen years with interest rates ranging from 2.55% to 5.15%. The following is a schedule by year of the future minimum payments required:

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(5) Changes in Long-Term Liabilities (continued)**

<b>Year Ending June 30</b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2008	\$ 200,000	\$ 71,024	\$ 271,024
2009	195,000	63,866	258,866
2010	150,000	56,066	206,066
2011	230,000	49,990	279,990
2012	235,000	40,652	275,652
2013-2017	320,000	126,388	446,388
2018-2021	<u>310,000</u>	<u>40,831</u>	<u>350,831</u>
<b>Total</b>	<b><u>\$ 1,640,000</u></b>	<b><u>\$ 448,817</u></b>	<b><u>\$ 2,088,817</u></b>

Payments for the certificates of participation for the year ended June 30, 2007, including interest, totaled \$283,265.

Advance Refunding

On May 31, 2005, the Agency issued \$1,075,000 in Certificates of Participation with interest rates ranging from 3.50% to 4.00%, to refund \$1,160,000 of outstanding 1997 Certificates of Participation with interest rates ranging from 4.90% to 5.25%, prior to maturity. Net proceeds of \$1,083,900 were received after payment of underwriting fees, insurance, and other issuance costs. As a result, the 1997 Certificates are considered to be in-substance defeased and the liability for those Certificates has been removed from the Agency-wide financial statements.

The Agency refunded the 1997 Certificates to reduce its total debt service payments over the next seven years by approximately \$163,235 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$80,900. The outstanding balance of the debt defeased totaled \$865,000 as of June 30, 2007.

**(6) Operating Leases**

The Agency has leased office equipment and various facilities within the area to house the different divisions of the Agency. These leases have been classified as operating leases and, accordingly, all rents are charged to expenditures as incurred. The leases expire between July 2008 and June 2012. Certain leases are renewable for additional periods. Some of the leases also require the payment of normal maintenance and insurance on the properties and equipment. In most cases, management expects that the leases will be renewed or replaced by other leases.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(6) Operating Leases (continued)**

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2007:

<u>Year Ending</u> <u>June 30</u>	<u>Amount</u>
2008	\$ 273,367
2009	225,107
2010	201,730
2011	194,080
2012	<u>194,080</u>
<b>Total</b>	<b><u>\$ 1,088,364</u></b>

The total rental expenditures for the year ended June 30, 2007 for all operating leases, except those with terms of a month or less that were not renewed, was \$227,055.

**(7) Pension and Retirement Benefits**

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 covered salary and the Agency is required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. The Agency's contributions to IPERS for the years ended June 30, 2007, 2006, and 2005 were \$1,375,203, \$1,344,916, and \$1,262,911, respectively, equal to the required contributions for each year.

**(8) Interfund Transfers**

Interfund transfers for the year ended June 30, 2007, consisted of the following:

Transfer to debt service fund from general fund for debt service payments	<u>\$ 361,547</u>
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**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**(9) Risk Management**

Grant Wood Area Education Agency 10 is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The Agency assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**(10) Commitments and Contingencies**

Employee benefits - Employees accumulate sick pay based upon months of service. Unused sick days may be carried forward until needed by the employee. Upon termination, retirement or death, unused days are forfeited; therefore no accrual is required.

Post employment benefits - The Agency has adopted an early retirement program for its employees. To be eligible, an employee must (1) have 20 years of continuous service, (2) not be receiving disability payments, and (3) be at least age 58. The employee must also elect to retire within three years upon first becoming eligible. The retirement benefit is equal to 50% of the average annual pay of the employee's highest three fiscal years. The retirement benefit shall be paid in one or two lump sum payments into the employee's account under the Special Pay Deferral 403(b) Plan. In the event of death of the employee prior to the payment of the retirement benefit, a lump sum payment of the amount due shall be made to the designated beneficiary. Early retirement benefits paid to thirteen participants during the year ended June 30, 2007 totaled \$365,196 and \$47,063 is due and payable at June 30, 2007.

The Agency will continue to provide life insurance benefits up to the age of 65 and contribute up to \$140 of single coverage monthly premium cost toward the purchase of group medical, dental and/or vision insurance. The cost of retiree health care and life insurance benefits is recognized as claims and premiums are paid. Health care and life insurance claims and premiums paid for thirty-one participants totaled \$52,149. After applying a discount rate of 5.15%, the present value of the Agency's early retirement benefits payable at June 30, 2007 totaled \$285,700. See Note 5 for changes in the long-term liability.

**(11) New Pronouncements**

As of June 30, 2007, the Governmental Accounting Standards Board had issued several statements not yet implemented by the Agency. The statements, which might impact the Agency, are as follows:

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the Agency beginning with its year ending June 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB) and supercedes existing guidance.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

(11) **New Pronouncements** (continued)

Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued June 2004, will be effective for the Agency beginning with its year ending June 30, 2009. This Statement requires governments to report any liability associated with providing employees benefits other than pensions subsequent to their employment with the Agency that have not been fully funded.

The Agency's management has not yet determined the effect these Statements will have on the Agency's financial statements.

This information is an integral part of the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**ALL GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2007**

	Actual	Budget		Final to Actual Variance - Favorable (Unfavorable)
		Original	Final	
<b>REVENUES</b>				
Local sources	\$ 15,041,418	\$ 14,304,960	\$ 14,263,158	\$ 778,260
State sources	12,264,922	13,194,083	12,331,562	(66,640)
Federal sources	14,987,496	16,200,000	15,175,238	(187,742)
Total revenues	<u>42,293,836</u>	<u>43,699,043</u>	<u>41,769,958</u>	<u>523,878</u>
<b>EXPENDITURES</b>				
Instruction	3,218,572	3,018,645	2,527,856	(690,716)
Student support services	17,612,480	12,431,388	16,727,666	(884,814)
Instructional staff support services	11,276,485	13,990,385	12,491,908	1,215,423
General administration	1,781,740	1,482,643	1,626,870	(154,870)
Building administration	1,937,768	1,563,100	2,003,372	65,604
Business administration	3,887,997	3,170,932	2,955,849	(932,148)
Plant operations and maintenance	757,681	992,400	835,051	77,370
Central and other support services	10,979	4,699,976	979,240	968,261
Non instructional programs	1,151,924	1,020,341	1,075,576	(76,348)
Debt service	279,755	400,000	283,266	3,511
Total expenditures	<u>41,915,381</u>	<u>42,769,810</u>	<u>41,506,654</u>	<u>(408,727)</u>
Excess (deficiency) of revenues over (under) expenditures	378,455	929,233	263,304	115,151
<b>OTHER FINANCING SOURCES, NET</b>	<u>-</u>	<u>(1,629,233)</u>	<u>118,572</u>	<u>(118,572)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	<u>378,455</u>	<u>(700,000)</u>	<u>381,876</u>	<u>(3,421)</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>4,357,970</u>	<u>3,407,222</u>	<u>4,416,298</u>	<u>(58,328)</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 4,736,425</u>	<u>\$ 2,707,222</u>	<u>\$ 4,798,174</u>	<u>\$ (61,749)</u>

The accompanying note to required supplementary information  
is an integral part of this schedule.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**  
**June 30, 2007**

This budgetary comparison is presented as Required Supplementary Information in accordance with *Governmental Accounting Standards Board* Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

The Agency's Board of Directors annually prepares a budget on a basis consistent with accounting principles generally accepted in the United States of America. Although the budget document presents functional disbursements by fund, the legal level of control is at the total expenditure/expense level, not by fund. After required public notice and hearing in accordance with the Code of Iowa, the Board submits its budget to the State Board of Education. The State Board reviews the proposed budget and either grants approval or returns it without approval with comments. Any unapproved budget must be resubmitted to the State Board for final approval. The budget may be amended during the year utilizing procedures prescribed by the State Board.

During the year ended June 30, 2007, disbursements exceeded the amount budgeted by \$408,727.

**OTHER SUPPLEMENTARY INFORMATION**

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2007**

Schedule 1

	<b>Special Revenue</b>			
	<b>Pool Transportation</b>	<b>Juvenile Home</b>	<b>Debt Service</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and pooled investments	\$ 142,266	\$ -	\$ 577,630	\$ 719,896
Accounts receivable	-	57,157	-	57,157
Total assets	\$ 142,266	\$ 57,157	\$ 577,630	\$ 777,053
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	11,862	609	-	\$ 12,471
Salaries and benefits payable	-	40,775	-	40,775
Warrants in excess of bank balance	-	15,773	-	15,773
Total liabilities	11,862	57,157	-	69,019
Fund Balances				
Reserved:				
Debt service	-	-	298,782	298,782
Unreserved, undesignated	130,404	-	278,848	409,252
Total fund balances	130,404	-	577,630	708,034
Total liabilities and fund balances	\$ 142,266	\$ 57,157	\$ 577,630	\$ 777,053

GRANT WOOD AREA EDUCATION AGENCY 10  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2007

Schedule 2

	<u>Special Revenue</u>			
	<u>Pool Transportation</u>	<u>Juvenile Home</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	-	667,687	-	667,687
Total revenues	-	667,687	-	667,687
 <b>EXPENDITURES</b>				
Instruction	51,445	667,687	-	719,132
Debt service	-	-	279,755	279,755
Total expenditures	51,445	667,687	279,755	998,887
Deficiency of revenues over expenditures	(51,445)	-	(279,755)	(331,200)
 <b>OTHER FINANCING SOURCES</b>				
Transfers in	-	-	361,547	361,547
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(51,445)	-	81,792	30,347
 <b>FUND BALANCES, BEGINNING OF YEAR</b>	181,849	-	495,838	677,687
 <b>FUND BALANCES, END OF YEAR</b>	\$ 130,404	\$ -	\$ 577,630	\$ 708,034

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**June 30, 2007**

Schedule 3

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>ASSETS</b>				
Accounts receivable	\$ 33,697	\$ 923,525	\$ 732,359	\$ 224,863
Due from other governments	52,048	108,768	84,154	76,662
General fund receivable	<u>422,360</u>	<u>816,513</u>	<u>861,889</u>	<u>376,984</u>
Total assets	<u>\$ 508,105</u>	<u>\$ 1,848,806</u>	<u>\$ 1,678,402</u>	<u>\$ 678,509</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 59,255	\$ 453,393	\$ 358,274	\$ 154,374
Salaries payable	19,313	487,384	486,936	19,761
Accrued other	-	91,510	91,510	-
General fund payable	-	6,510	-	6,510
Deposits held in custody of others	<u>429,537</u>	<u>-</u>	<u>(68,327)</u>	<u>497,864</u>
Total liabilities	<u>\$ 508,105</u>	<u>\$ 1,038,797</u>	<u>\$ 868,393</u>	<u>\$ 678,509</u>

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION**  
**ALL GOVERNMENTAL FUND TYPES**  
**For the Last Eight Years Ended June 30**

	<u>2007</u> *	<u>2006</u> *	<u>2005</u>	<u>2004</u>
<b>REVENUES</b>				
Local sources	\$ 15,041,418	\$ 13,983,285	\$ 13,132,227	\$ 13,037,224
State sources	12,264,922	11,178,373	10,603,900	10,300,970
Federal sources	<u>14,987,496</u>	<u>15,511,872</u>	<u>14,849,789</u>	<u>13,003,285</u>
 Total revenues	 <u>\$ 42,293,836</u>	 <u>\$ 40,673,530</u>	 <u>\$ 38,585,916</u>	 <u>\$ 36,341,479</u>
 <b>EXPENDITURES</b>				
Instruction	\$ 3,218,572	\$ 2,861,860	\$ 2,895,016	\$ 2,935,981
Student support services	17,612,480	16,334,283	21,842,877	20,282,887
Instructional staff support services	11,276,485	12,251,021	5,320,170	4,792,394
General administration	1,781,740	1,282,735	1,330,034	1,052,261
Building administration	1,937,768	1,612,866	1,400,136	1,413,081
Business administration	3,887,997	3,866,531	1,176,309	1,006,928
Plant operations and maintenance	757,681	661,940	894,915	891,464
Central and other support services	10,979	190,256	2,898,370	3,377,635
Non instructional programs	1,151,924	1,065,020	59,409	678
Debt service	279,755	290,239	1,464,930	287,408
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,996</u>
 Total expenditures	 <u>\$ 41,915,381</u>	 <u>\$ 40,416,751</u>	 <u>\$ 39,282,166</u>	 <u>\$ 36,092,713</u>

\* Comparability between categories was affected by changes in the standard chart of accounts that is mandated by the State of Iowa.

Schedule 4

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
\$ 12,209,133	\$ 11,696,661	\$ 12,103,600	\$ 11,668,431
11,591,250	12,315,824	11,676,799	11,119,744
<u>10,971,592</u>	<u>8,943,745</u>	<u>7,402,194</u>	<u>6,240,063</u>
<u>\$ 34,771,975</u>	<u>\$ 32,956,230</u>	<u>\$ 31,182,593</u>	<u>\$ 29,028,238</u>
\$ 2,552,239	\$ 2,118,616	\$ 2,092,620	\$ 1,710,317
19,352,674	17,854,011	16,197,220	15,306,517
4,671,453	4,964,877	4,776,570	4,514,023
1,169,882	1,339,004	1,465,115	1,148,793
1,262,465	1,261,330	1,370,224	1,183,169
1,131,737	1,058,055	1,013,489	922,158
1,022,349	844,929	665,166	556,307
2,806,745	3,534,387	2,714,479	2,682,164
31,145	32,558	238	717
288,311	415,756	393,507	204,024
<u>95,641</u>	<u>1,383,963</u>	<u>322,156</u>	<u>12,564</u>
<u>\$ 34,384,641</u>	<u>\$ 34,807,486</u>	<u>\$ 31,010,784</u>	<u>\$ 28,240,753</u>

See independent auditor's report.

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2007**

Schedule 5

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures</u>
Direct:			
U.S. Department of Education:			
Research in Special Education			
Super Seniors - North	84.324	H324M010097	\$ 15,542
Fund for the Improvement of Education			
Foundation for Learning	84.215H	Q215H050011	141,675
Safe and Drug-Free Schools and			
Communities_National Programs			
Prep Project	84.184E	Q184E050027	<u>161,332</u>
			<u>318,549</u>
Indirect:			
U.S. Department of Education:			
Iowa Department of Education:			
Special Education - Grants to States	84.027*		
Preschool Handicapped Program			
IDEA Preschool		060710	9,004,843
Information management systems		6K70-IMS	172,984
Diagnostic and Evaluation			
Entitlement Program			640
Conflict Resolution and Mediation			12,146
Supplemental Support Services		06K72-10	149,931
Parent Educator Connection		67410	133,928
Every Child Reads			5,980
Assistive Technology - Trainer		46507	28,080
Paraeducator training project		6K76-10	22,218
Instructional Decision Making		6K9IDM-10	86,132
IDEA - Flowthrough to LEA		6KB2-10	3,442,763
Assistive Technology			<u>2,000</u>
			<u>13,061,645</u>
Special Education - Preschool Grants	84.173*	06619-10	<u>400,353</u>
Special Education - Grants for			
Infants and Families with Disabilities:	84.181		
Part C - Infant & Toddler		C06-10	<u>307,983</u>

(continued)

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2007**

Schedule 5

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Expenditures</u>
Perkins Vocational Education	84.048A	FY06-07	<u>288,124</u>
Special Education - State Personnel Development SIG/IEP School improvement IGISST - SIG	84.323	G6PI3-10 G-7P13-10	29,179 <u>1,947</u> <u>31,126</u>
Reading First State Grants	84.357	06-07	<u>18,696</u>
English Language Acquisition Grants	84.365		<u>81,689</u>
Education Technology State Grants E2T2	84.318X^	06-07	<u>159,643</u>
Every Learner Inquiries - Title II	84.367	26007	<u>17,774</u>
Iowa Department of Corrections: Special Education - Grants to States Inmate Screening	84.027*		<u>104,695</u>
AEA 267 Education Technology State Grants E2T2	84.318X^	06-07	<u>119,202</u>
Corporation for National Community Service Iowa Department of Education Learn and Serve America-School and Community Based Programs	94.004		<u>4,089</u>
<b>Total</b>			<b><u>\$14,913,568</u></b>

**Basis of Presentation** - The Schedule of Expenditures of Federal Awards includes the federal grant activity of Grant Wood Area Education Agency 10 and is presented on the modified accrual basis. 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 basic financial statements.

(continued)

**GRANT WOOD AREA EDUCATION AGENCY 10**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2007**

**Schedule 5**

- \* Total expenditures for CFDA Number 84.027 were \$13,166,340 and was tested as a major program along with CFDA Number 84.173. Special education cluster expenditures totaled \$13,566,693.
  
- ^ Total expenditures for CFDA Number 84.318X were \$278,845.

**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

Board of Directors  
Grant Wood Area Education Agency 10  
Cedar Rapids, Iowa

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grant Wood Area Education Agency 10 (the Agency) as of and for the year ended June 30, 2007, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated March 10, 2008. 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 Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Agency's financial statements that is more than inconsequential will not be prevented or detected by the Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Agency's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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*. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the Agency's operations for the year ended June 30, 2007, are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Agency. 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.

Grant Wood Area Education Agency 10's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the Agency's responses, we did not audit the Agency's responses and, accordingly, we express no opinion on them.

This report 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.

*Clifton Gunderson LLP*

Cedar Rapids, Iowa  
March 10, 2008

**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control  
Over Compliance in Accordance with OMB Circular A-133**

Board of Directors  
Grant Wood Area Education Agency 10  
Cedar Rapids, Iowa

**Compliance**

We have audited the compliance of Grant Wood Area Education Agency 10 (the Agency) with the types of compliance requirements described in *the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2007. The Agency's major federal program is 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 grant agreements applicable to its major federal program is the responsibility of the Agency's management. Our responsibility is to express an opinion on the Agency'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 Agency'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 Agency's compliance with those requirements.

In our opinion, Grant Wood Area Education Agency 10 complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2007.

**Internal Control Over Compliance**

The management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered the Agency's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A control deficiency in the Agency's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, 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.

*Clifton Gunderson LLP*

Cedar Rapids, Iowa  
March 10, 2008

**GRANT WOOD AREA EDUCATION AGENCY 10  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

*Financial Statements*

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None Reported

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Cluster programs: 84.027 84.173	Special Education - Grant to States Special Education - Preschool Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 447,407

Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No

GRANT WOOD AREA EDUCATION AGENCY 10  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007

**Section II: Findings Related to the Financial Statements:**

No matters were reported.

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

No matters were reported.

**GRANT WOOD AREA EDUCATION AGENCY 10  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2007**

**Section IV - Other Findings Related to Required Statutory Reporting**

IV-A-07 Budget - Expenditures during the year ended June 30, 2007 exceeded the amount budgeted.

Recommendation - Monitor budgeted to actual expenditures on a monthly basis to ensure expenditures do not exceed budgeted limits.

Response - We will monitor this monthly in the future.

Conclusion - Response accepted.

IV-B-07 Questionable Expenditures - No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-C-07 Travel Expense - No expenditures of Agency money for travel expenses of spouses of Agency officials or employees were noted.

IV-D-07 Business Transactions - No business transactions between the Agency and Agency officials and/or employees were noted.

IV-E-07 Bond Coverage - Surety bond coverage of Agency officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that the coverage is adequate for current operations.

IV-F-07 Board Minutes - No transactions requiring Board approval were noted which had not been approved.

IV-G-07 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa were noted.

IV-H-07 Certified Annual Report - The Certified Annual Report (CAR) was filed with the Department of Education timely and we noted no significant discrepancies in the amounts reported.

GRANT WOOD AREA EDUCATION AGENCY 10  
SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS  
Year Ended June 30, 2007

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>If not corrected, provide planned corrective action or other explanation.</u>
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There were no prior year federal audit findings.

**GRANT WOOD AREA EDUCATION AGENCY 10**

**Audit Staff**

This audit was performed by:

Bill Vincent, CPA, Partner

Michele M. Matt, CPA, Senior Manager

Justin Zimmerman, CPA, Senior Associate

Jim Fitzpatrick, CPA, Senior Associate

Josh Barta, Associate

Becky Grassfield, Associate