

IOWA NORTHLAND REGIONAL
COUNCIL OF GOVERNMENTS

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

JUNE 30, 2008

- Prepared By -

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2008. These financial statements are the responsibility of INRCOG's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of INRCOG as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 3, 2008 on my consideration of INRCOG's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

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

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

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

December 3, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Northland Regional Council of Governments provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2008. I encourage readers to consider this information in conjunction with INRCOG's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- INRCOG's support and revenues decreased 3%, or \$110,989, from fiscal 2007 to fiscal 2008. Contract revenue decreased, while Federal grants increased.
- INRCOG's operation expenses were 2%, or \$85,970 more in fiscal 2008 than in fiscal 2007 due mainly to increased transit transportation costs.
- INRCOG's net assets decreased 4%, or \$134,345, from June 30, 2007 to June 30, 2008.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

FINANCIAL ANALYSIS OF THE AGENCY

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of INRCOG's financial position. INRCOG's net assets for fiscal 2008 totaled \$3,155,939. This compares to \$3,290,284 for fiscal 2007. A summary of INRCOG's net assets is presented below.

Net Assets		June 30,	
	2008	2007	
Current assets	\$1,762,986	\$1,555,563	
Non-current assets	47,376	1,917	
Capital assets at cost, less accumulated depreciation	1,905,653	2,038,353	
Total assets	<u>\$3,716,015</u>	<u>\$3,595,833</u>	
Current liabilities	\$ 560,076	\$ 305,549	
Total liabilities	<u>\$ 560,076</u>	<u>\$ 305,549</u>	
Net assets:			
Reserved	\$ 467,624	\$ 545,379	
Unreserved	<u>2,688,315</u>	<u>2,744,905</u>	
Total net assets	<u>\$3,155,939</u>	<u>\$3,290,284</u>	

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Support and revenues are received from federal grants, state grants, and other local sources. Expenses are to operate the transit systems and programs. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net assets for the years ended June 30, 2008 and 2007 are presented below:

Changes in Net Assets		June 30,	
	2008	2007	
Support and Revenue			
Grants	\$2,051,982	\$1,596,411	
Program reimbursements and other local sources	1,898,592	2,465,152	
Total support and revenue	<u>\$3,950,574</u>	<u>\$4,061,563</u>	
Expenses	<u>4,084,919</u>	<u>3,998,949</u>	
Net transactions before other financing sources:	\$ (134,345)	\$ 62,614	
Other financing sources	<u>-</u>	<u>400</u>	
Change in net assets	\$ (134,345)	\$ 63,014	
Net assets beginning of year	<u>3,290,284</u>	<u>3,227,270</u>	
Net assets end of year	<u>\$3,155,939</u>	<u>\$3,290,284</u>	

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

- Net assets for the year decreased \$134,345. This decrease was due to the increase in salaries and transportation expenses.
- INRCOG's operating expenses (without depreciation) were \$3,999,611 and revenues were \$3,950,574. With depreciation, the total expenses were \$4,084,919 and revenues remained at \$3,950,574.
- State funds and federal funds for the year totaled \$2,051,982. These same funding sources for the previous fiscal year totaled \$1,596,411. These same funding sources are projected to increase from fiscal year 2008 to fiscal year 2009.

STATEMENT OF CASH FLOWS

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

CAPITAL ASSETS

At June 30, 2008, INRCOG had approximately \$1,905,653 invested in capital assets, net of accumulated depreciation of approximately \$1,729,418. Depreciation charges totaled \$146,072 for fiscal year 2008. More detailed information about INRCOG's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS

The Iowa Northland Regional Council of Government's Board of Directors (with input from local elected officials and citizens) considered various factors when setting the fiscal year 2009 budget and fees that will be charged for agency activities. INRCOG general fund operations are expected to remain consistent with the previous year, but could vary according to contracts received during the year.

CONTACTING INRCOG'S FINANCIAL MANAGEMENT

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 214,973	\$1,006,330	\$1,221,303
Investments (at cost)	219,387	-	219,387
Accounts receivable	102,242	191,792	294,034
Notes receivable	-	28,262	28,262
Total current assets	<u>\$ 536,602</u>	<u>\$1,226,384</u>	<u>\$1,762,986</u>
Non-current assets:			
Notes receivable	<u>\$ -</u>	<u>\$ 47,376</u>	<u>\$ 47,376</u>
Fixed assets:			
Furniture and equipment	\$ 193,636	\$ 119,411	\$ 313,047
Vehicles - unrestricted	234,551	-	234,551
Vehicles - restricted	874,745	-	874,745
Moving costs	664	-	664
Leasehold improvements	308,370	74,597	382,967
Building and improvements	-	1,829,097	1,829,097
Total	<u>\$1,611,966</u>	<u>\$2,023,105</u>	<u>\$3,635,071</u>
Less accumulated depreciation	(1,467,190)	(262,228)	(1,729,418)
Net fixed assets	<u>\$ 144,776</u>	<u>\$1,760,877</u>	<u>\$1,905,653</u>
Total assets	<u>\$ 681,378</u>	<u>\$3,034,637</u>	<u>\$3,716,015</u>
LIABILITIES:			
Current liabilities:			
Trade accounts payable	\$ 77,279	\$ 1,429	\$ 78,708
Accrued wages and payroll taxes payable	6,032	17,630	23,662
Accrued benefits payable	16,808	166,981	183,789
Unearned revenue	-	273,917	273,917
Total liabilities	<u>\$ 100,119</u>	<u>\$ 459,957</u>	<u>\$ 560,076</u>
NET ASSETS:			
Reserved (Note 2)	\$ 113,144	\$ 354,480	\$ 467,624
Unreserved	<u>468,115</u>	<u>2,220,200</u>	<u>2,688,315</u>
Total net assets	<u>\$ 581,259</u>	<u>\$2,574,680</u>	<u>\$3,155,939</u>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Iowa Northland</u>		<u>Total</u>
	<u>Regional Transit Commission</u>	<u>Council of Governments</u>	
REVENUES:			
Federal funds	\$ 251,785	\$1,329,465	\$1,581,250
State funds	323,594	147,138	470,732
Local:			
Contract revenue	933,239	779,101	1,712,340
Membership revenue	-	91,910	91,910
Document fee	-	1,604	1,604
Interest	18,157	34,120	52,277
Miscellaneous	2,629	37,832	40,461
Total	<u>\$1,529,404</u>	<u>\$2,421,170</u>	<u>\$3,950,574</u>
EXPENSES:			
Salaries and fringe benefits	\$ -	\$ 747,415	\$ 747,415
Drivers' salaries and benefits	138,185	-	138,185
Travel	-	28,783	28,783
Meals	-	5,363	5,363
Seminars	380	5,936	6,316
Telephone/internet	757	1,865	2,622
Awards	530	380	910
Contracted services	175,068	1,131,600	1,306,668
Office supplies	241	250	491
Miscellaneous	1,164	21	1,185
Postage	1,303	6,909	8,212
Bad debt	108	-	108
Copy expense	1,896	7,406	9,302
Advertising and notices	2,756	553	3,309
Professional memberships	2,336	-	2,336
Recording fees	-	221	221
Administrative overhead	89,284	380,177	469,461
Transportation cost	1,025,866	-	1,025,866
Provision for forgivable loan	-	181,434	181,434
Administrative expense - INRHC	-	12,152	12,152
Relocation	-	10,218	10,218
Insurance	21,535	-	21,535
Depreciation	85,308	-	85,308
Legal and accounting	14,250	450	14,700
Equipment maintenance	-	995	995
Radio service	1,824	-	1,824
Total	<u>\$1,562,791</u>	<u>\$2,522,128</u>	<u>\$4,084,919</u>

(continued)

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Net transactions before other financing sources (uses):	\$ (33,387)	\$ (100,958)	\$ (134,345)
Other financing sources (uses):			
Operating transfers in	\$ -	\$ 13,815	\$ 13,815
Operating transfers out	(13,815)	-	(13,815)
Total other financing sources (uses)	\$ (13,815)	\$ 13,815	\$ -
Change in net assets	\$ (47,202)	\$ (87,143)	\$ (134,345)
Net assets beginning of year	628,461	2,661,823	3,290,284
Net assets end of year	<u>\$ 581,259</u>	<u>\$2,574,680</u>	<u>\$3,155,939</u>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from membership revenue	\$ -	\$ 91,910	\$ 91,910
Cash received from contract fees	914,411	879,325	1,793,736
Cash received from miscellaneous sources	2,629	37,832	40,461
Cash received from state operating grants	312,887	147,138	460,025
Cash received from federal operating grants	251,785	1,466,292	1,718,077
Cash received from interagency transfer	-	13,815	13,815
Cash paid for interagency transfer	(13,815)	-	(13,815)
Cash paid for salaries and benefits	(130,783)	(717,360)	(848,143)
Cash paid for administration	(1,323,716)	(1,723,940)	(3,047,656)
Net cash provided by operating activities	<u>\$ 13,398</u>	<u>\$ 195,012</u>	<u>\$ 208,410</u>
Cash flows from capital and related financing activities:			
Net acquisition of fixed assets	\$ -	\$ 13,372	\$ 13,372
Net cash used by financing activities	<u>\$ -</u>	<u>\$ 13,372</u>	<u>\$ 13,372</u>
Cash flows from investing activities:			
Cash paid for investments	\$ (8,686)	\$ -	\$ (8,686)
Interest received	18,157	34,120	52,277
Net cash provided (used) for investing activities	<u>\$ 9,471</u>	<u>\$ 34,120</u>	<u>\$ 43,591</u>
Net decrease in cash	\$ 22,869	\$ 242,504	\$ 265,373
Cash and cash equivalents beginning of year	192,104	763,826	955,930
Cash and cash equivalents end of year	<u>\$ 214,973</u>	<u>\$1,006,330</u>	<u>\$1,221,303</u>
Reconciliation of net transactions to net cash provided by operating activities:			
Net transactions	\$ (47,202)	\$ (87,143)	\$ (134,345)
Adjustments for long-term non-cash items:			
Depreciation	85,308	60,764	146,072
Revenues and expenses not classified as operating	(18,157)	(106,323)	(124,480)
Adjustments for current non-cash items:			
Changes in receivables	(29,535)	96,171	66,636
Changes in accounts payable	15,582	(9,991)	5,591
Changes in accrued wages payable	1,319	788	2,107
Changes in accrued benefits payable	6,083	29,267	35,350
Changes in unearned revenue	-	211,479	211,479
Net cash provided (used) by operating activities	<u>\$ 13,398</u>	<u>\$ 195,012</u>	<u>\$ 208,410</u>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

(1) Organization

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

Reporting Entity

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

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the statement of net assets:

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

Investments - Investments are stated at cost which approximates market.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

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

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

Capital Assets - Capital assets, which include property, furniture and equipment, are accounted for at original cost. Depreciation has been provided over the estimated useful lives using the straight-line method.

Accrued Benefits Payable - Accrued benefits payable are earned vacation and sick leave and have been accrued as liabilities on the statement of net assets. These current liabilities have been computed based on rates of pay in effect at June 30, 2008.

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

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

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

(3) **Cash and Investments**

INRCOG's deposits in banks at June 30, 2008 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

(4) **Capital Assets**

Capital assets activity for the year ended June 30, 2008 was as follows:

<u>Iowa Northland Council of Governments</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 118,662	\$ 749	\$ -	\$ 119,411
Leasehold improvements	74,597	-	-	74,597
Building and improvements	<u>1,816,474</u>	<u>12,623</u>	<u>-</u>	<u>1,829,097</u>
Total	<u>\$2,009,733</u>	<u>\$ 13,372</u>	<u>\$ -</u>	<u>\$2,023,105</u>

<u>Iowa Northland Regional Transit Commission</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 193,636	\$ -	\$ -	\$ 193,636
Vehicles - unrestricted	234,551	-	-	234,551
Vehicles - restricted	874,745	-	-	874,745
Moving costs	664	-	-	664
Leasehold improvements	<u>308,370</u>	<u>-</u>	<u>-</u>	<u>308,370</u>
Total	<u>\$1,611,966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,611,966</u>

(5) **Pension and Retirement Benefits**

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

Plan members are required to contribute 3.90% of their annual covered salary and INRCOG is required to contribute 6.05% of covered salary. Contribution requirements are established by state statute. INRCOG's contribution to IPERS for the year ended June 30, 2008 was \$48,661, which was equal to the required contribution for the year.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

(6) Operating Lease

INRCOG leases office space on an operating lease basis. The lease calls for lease payments as described below. In addition, INRCOG is responsible for any leasehold improvements. Total rental and lease expense for the year ended June 30, 2008 was \$96,617.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2009	<u>\$ 96,617</u>

(7) Risk Management

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Admini- stration</u>	<u>Technical Assistance</u>	<u>Davis Bacon Poyner</u>	<u>Dunkerton Comp Plan</u>
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	-	12,388	2,048	2,765
Membership revenue	-	14,016	-	-
Document Fee	-	-	-	-
Miscellaneous	-	120	-	-
Interest	-	18,274	-	-
Total	<u>\$ -</u>	<u>\$ 44,798</u>	<u>\$ 2,048</u>	<u>\$ 2,765</u>
EXPENSES:				
Salaries and fringe benefits	\$ 1,950	\$ 67,747	\$ 1,042	\$ 1,210
Travel	-	8,233	-	12
Meals	-	616	-	-
Seminar	-	3,218	-	-
Telephone/internet	-	77	5	1
Awards	-	-	-	-
Contracted services	-	3,590	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	1,016	5	-
Copy expense	-	982	2	1
Advertising and notices	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	-	34,549	532	617
Provision for forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 1,950</u>	<u>\$ 120,028</u>	<u>\$ 1,586</u>	<u>\$ 1,841</u>
Net transactions	\$ (1,950)	\$ (75,230)	\$ 462	\$ 924
Agency interfund transfer	(99,008)	75,230	(462)	(924)
Operating transfer in	13,815	-	-	-
Net assets beginning of year	<u>2,661,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u>\$2,574,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

<u>BHCSWC</u>	<u>Housing Council</u>	<u>BHS Contractors Bond</u>	<u>Bremer LESA</u>	<u>Butler-Bremer Rehab-Gen. Admin</u>	<u>COG Assistance</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	8,824
15,411	12,100	11,240	225	6,000	-
-	-	-	-	-	-
-	52	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 15,411</u>	<u>\$ 12,152</u>	<u>\$ 11,240</u>	<u>\$ 225</u>	<u>\$ 6,000</u>	<u>\$ 8,824</u>
\$ 9,843	\$ 11,159	\$ 2,291	\$ 142	\$ 3,861	\$ 6,427
500	27	-	21	32	1
6	-	-	-	-	-
-	149	-	-	-	-
7	1	1	-	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	14	-	-	-
8	287	438	-	38	-
27	95	85	-	11	-
-	16	-	-	126	-
-	-	-	-	-	-
-	-	-	-	-	-
5,020	5,691	1,168	73	1,970	3,278
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 15,411</u>	<u>\$ 17,425</u>	<u>\$ 3,997</u>	<u>\$ 236</u>	<u>\$ 6,039</u>	<u>\$ 9,706</u>
\$ -	\$ (5,273)	\$ 7,243	\$ (11)	\$ (39)	\$ (882)
-	5,273	(7,243)	11	39	882
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>INREDC</u>	<u>RTC</u>	<u>Cedar Valley Marketing Region</u>	<u>Bremer Trail Brochure</u>
REVENUES:				
Federal funds	\$ 51,000	\$ -	\$ -	\$ -
State funds	-	-	63,939	-
Local:				
Contract revenue	-	270,904	-	943
Membership revenue	17,000	-	-	-
Document fee	-	-	-	-
Miscellaneous	34,000	-	-	-
Interest	100	-	-	-
Total	<u>\$102,100</u>	<u>\$270,904</u>	<u>\$ 63,939</u>	<u>\$ 943</u>
EXPENSES:				
Salaries and fringe benefits	\$ 50,659	\$175,068	\$ -	\$ 555
Travel	2,615	2,452	-	-
Meals	542	44	-	-
Seminar	723	-	-	-
Telephone/internet	36	757	-	-
Awards	-	380	-	-
Contracted services	34,000	-	63,939	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	65	1,000	-	-
Copy expense	125	1,896	-	-
Advertising and notices	-	23	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	25,836	89,284	-	282
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$114,601</u>	<u>\$270,904</u>	<u>\$ 63,939</u>	<u>\$ 837</u>
Net transactions	\$(12,501)	\$ -	\$ -	\$ 106
Agency intrafund transfer	12,501	-	-	(106)
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

INRCOG Housing RLF	Solid Waste Comp Plan	Region 6 GIS	Waverly Lead Based Paint II	Greene Rehab- General Admin	Bremer Butler Rehab
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	33,963	-	-	-	-
-	-	2,698	2,914	8,698	11,556
-	-	-	-	-	-
1,552	-	-	-	-	-
-	-	-	-	-	-
12,454	-	-	-	-	-
<u>\$ 14,006</u>	<u>\$ 33,963</u>	<u>\$ 2,698</u>	<u>\$ 2,914</u>	<u>\$ 8,698</u>	<u>\$ 11,556</u>
\$ 859	\$ 16,299	\$ 1,232	\$ 1,748	\$ 5,293	\$ 1,418
-	-	-	-	425	60
-	-	-	-	18	-
-	-	-	-	-	-
-	8	-	-	5	1
-	-	-	-	-	-
-	-	-	270	-	345
-	-	-	-	-	-
7	-	-	-	-	-
94	40	5	-	143	2
1	72	-	4	114	7
-	8	-	-	-	-
7	-	-	-	-	-
-	-	-	-	-	-
437	8,312	628	892	2,700	723
12,388	-	-	-	-	9,000
12,152	-	-	-	-	-
-	-	-	-	-	-
450	-	-	-	-	-
<u>\$ 26,395</u>	<u>\$ 24,739</u>	<u>\$ 1,865</u>	<u>\$ 2,914</u>	<u>\$ 8,698</u>	<u>\$ 11,556</u>
\$(12,389)	\$ 9,224	\$ 833	\$ -	\$ -	\$ -
12,389	(9,224)	(833)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>NE Iowa Comm Dev Group</u>	<u>Jesup Rehab</u>	<u>FEMA</u>	<u>BHCGA Direct</u>
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	5,586	815	1,566	2,580
Membership revenue	-	-	-	-
Document Fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 5,586</u>	<u>\$ 815</u>	<u>\$ 1,566</u>	<u>\$ 2,580</u>
EXPENSES:				
Salaries and fringe benefits	\$ -	\$ 424	\$ 1,235	\$ 658
Travel	-	19	-	-
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	1	1	560
Awards	-	-	-	-
Contracted services	5,586	500	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	6	43	283
Copy expense	-	7	107	316
Advertising and notices	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	-	216	630	335
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 5,586</u>	<u>\$ 1,173</u>	<u>\$ 2,016</u>	<u>\$ 2,152</u>
Net transactions	\$ -	\$ (358)	\$ (450)	\$ 428
Agency intrafund transfer	-	358	450	(428)
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

Region 6 Homeland Security FA2006	Safety Program	FHLB Emergency Repair III	Winthrop Income Verification	Region 6 Citizen Corp 2005	BHCSWMC- Direct
\$ 108,126	\$ -	\$ -	\$ -	\$ 7,764	\$ -
-	-	-	-	-	-
-	37,500	42,974	75	-	207
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100	825	-	-	-	-
<u>\$108,226</u>	<u>\$ 38,325</u>	<u>\$ 42,974</u>	<u>\$ 75</u>	<u>\$ 7,764</u>	<u>\$ 207</u>
\$ 8,752	\$ 19,915	\$ 2,318	\$ 51	\$ -	\$ -
233	1,542	231	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57	1	4	-	-	3
-	-	-	-	-	-
96,357	-	975	-	7,764	-
-	6	-	-	-	-
-	-	-	-	-	-
115	162	163	-	-	36
110	107	33	-	-	168
117	-	7	-	-	-
-	-	91	-	-	-
-	-	-	-	-	-
4,464	10,156	1,182	26	-	-
-	-	39,374	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$110,205</u>	<u>\$ 31,889</u>	<u>\$ 44,378</u>	<u>\$ 77</u>	<u>\$ 7,764</u>	<u>\$ 207</u>
\$ (1,979)	\$ 6,436	\$ (1,404)	\$ (2)	\$ -	\$ -
1,979	(6,436)	1,404	2	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Grundy Center Rehab</u>	<u>New Hampton Metal FAB EDSA</u>	<u>IFA Housing Trust Fund III</u>	<u>Region 6 Citizens Corp 2006</u>
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ 10,924
State funds	-	-	-	-
Local:				
Contract revenue	4,545	505	24,140	-
Membership revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	3,567	-
Total	<u>\$ 4,545</u>	<u>\$ 505</u>	<u>\$ 27,707</u>	<u>\$ 10,924</u>
EXPENSES:				
Salaries and fringe benefits	\$ 2,313	\$ 304	\$ 3,800	\$ 784
Travel	211	43	265	-
Meals	-	-	6	-
Seminar	-	-	-	-
Telephone/internet	4	2	3	-
Awards	-	-	-	-
Contracted services	750	-	875	9,893
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	54	2	30	18
Copy expense	33	3	18	8
Advertising and notices	-	-	-	-
Recording fees	-	-	21	-
Relocation	-	-	-	-
Administrative overhead	1,180	155	1,938	400
Provision for forgivable loan	-	-	17,195	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 4,545</u>	<u>\$ 509</u>	<u>\$ 24,151</u>	<u>\$ 11,103</u>
Net transactions	\$ -	\$ (4)	\$ 3,556	\$ (179)
Agency intrafund transfer	-	4	(3,556)	179
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

<u>CV Coalition</u>	<u>CV Colonial Rehab Admin & TS</u>	<u>CV Colonial Rehab- Davis Bacon</u>	<u>MPO/TIP</u>	<u>MPO/TPWP</u>	<u>MPO/PPP</u>	<u>MPO/LRP</u>
\$ -	\$ -	\$ -	\$ 6,608	\$ 1,067	\$ 2,031	\$ 71,047
-	-	-	-	-	-	-
17,638	13,961	65	-	-	-	-
-	-	-	1,651	267	509	17,762
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,370	-	-	-	-	-	-
<u>\$ 19,008</u>	<u>\$ 13,961</u>	<u>\$ 65</u>	<u>\$ 8,259</u>	<u>\$ 1,334</u>	<u>\$ 2,540</u>	<u>\$ 88,809</u>
\$ -	\$ 7,236	\$ 34	\$ 5,262	\$ 873	\$ 1,638	\$ 57,099
1,428	2	-	33	-	5	589
3,832	-	-	16	-	-	131
-	-	-	25	-	-	100
-	101	-	-	-	-	4
-	-	-	-	-	-	-
11,933	2,500	-	-	-	-	-
177	-	-	-	-	-	-
-	-	-	-	-	-	-
45	345	2	82	-	20	275
223	87	1	138	16	22	496
-	-	-	20	-	20	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,690	17	2,683	445	835	29,120
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	995
-	-	-	-	-	-	-
<u>\$ 17,638</u>	<u>\$ 13,961</u>	<u>\$ 54</u>	<u>\$ 8,259</u>	<u>\$ 1,334</u>	<u>\$ 2,540</u>	<u>\$ 88,809</u>
\$ 1,370	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ -
(1,370)	-	(11)	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>MPO/SRP</u>	<u>CoZo</u>	<u>Shell Rock Comp Plan</u>	<u>Nashua EDSA</u>
REVENUES:				
Federal funds	\$ 101,027	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	-	925	1,533	312
Membership revenue	25,256	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 126,283</u>	<u>\$ 925</u>	<u>\$ 1,533</u>	<u>\$ 312</u>
EXPENSES:				
Salaries and fringe benefits	\$ 80,745	\$ 505	\$ 658	\$ 202
Travel	2,603	-	-	-
Meals	139	-	-	-
Seminar	467	-	-	-
Telephone/internet	10	-	-	-
Awards	-	-	-	-
Contracted services	-	-	-	-
Office supplies	64	-	-	-
Miscellaneous	-	-	-	-
Postage	320	-	-	-
Copy expense	744	36	-	7
Advertising and notices	13	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	41,179	257	335	103
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 126,284</u>	<u>\$ 798</u>	<u>\$ 993</u>	<u>\$ 312</u>
Net transactions	\$ (1)	\$ 127	\$ 540	\$ -
Agency intrafund transfer	1	(127)	(540)	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

JEDF Income <u>Verification</u>	<u>RTA/TIP</u>	<u>RTA/TPWP</u>	<u>RTA/PPP</u>	<u>RTA/LRP</u>	<u>RTA/SRP</u>
\$ -	\$ 8,611	\$ 918	\$ 2,296	\$ 22,903	\$ 27,066
-	-	-	-	-	-
324	-	-	-	-	-
-	2,152	230	574	5,726	6,767
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 324</u>	<u>\$ 10,763</u>	<u>\$ 1,148</u>	<u>\$ 2,870</u>	<u>\$ 28,629</u>	<u>\$ 33,833</u>
\$ 254	\$ 7,277	\$ 1,134	\$ 2,344	\$ 19,615	\$ 21,737
-	75	-	65	142	1,176
-	6	-	-	-	-
-	25	-	-	-	18
-	-	-	-	-	12
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1	54	-	-	146	174
-	70	-	3	157	225
-	101	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
129	3,711	579	1,196	10,004	11,085
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 384</u>	<u>\$ 11,319</u>	<u>\$ 1,713</u>	<u>\$ 3,608</u>	<u>\$ 30,064</u>	<u>\$ 34,427</u>
\$ (60)	\$ (556)	\$ (565)	\$ (738)	\$ (1,435)	\$ (594)
60	556	565	738	1,435	594
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Allison Rehab</u>	<u>Allison Lead Based Paint</u>	<u>Maps</u>	<u>Region 6 LETTP 2006</u>
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ 115,456
State funds	-	-	-	-
Local:				
Contract revenue	14,877	10,330	2,323	-
Membership revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 14,877</u>	<u>\$ 10,330</u>	<u>\$ 2,323</u>	<u>\$ 115,456</u>
EXPENSES:				
Salaries and fringe benefits	\$ 6,833	\$ 3,186	\$ 725	\$ 7,141
Travel	969	294	35	-
Meals	-	7	-	-
Seminar	-	348	-	-
Telephone/internet	12	1	-	10
Awards	-	-	-	-
Contracted services	3,375	1,675	-	104,457
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	130	107	6	64
Copy expense	74	12	-	65
Advertising and notices	-	-	-	77
Recording fees	-	-	-	-
Relocation	-	3,074	-	-
Administrative overhead	3,484	1,626	370	3,642
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 14,877</u>	<u>\$ 10,330</u>	<u>\$ 1,136</u>	<u>\$ 115,456</u>
Net transactions	\$ -	\$ -	\$ 1,187	\$ -
Agency intrafund transfer	-	-	(1,187)	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

Region 5- Cedar Valley Tech Works- EDA	IWE/BHC Solid Waste Commission	Region 5- Homeland Security FA 2005	Region 5- Citizens Corp 2005	Homeland Security FA 2006	Aurora CDBG	Region 5- LETTP 2006
\$ -	\$ -	\$ -	\$ 4,898	\$111,185	\$ -	\$ 13,567
-	40,412	-	-	-	-	-
5,669	-	350	-	-	1,743	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3	-	100	-	-
<u>\$ 5,669</u>	<u>\$ 40,412</u>	<u>\$ 353</u>	<u>\$ 4,898</u>	<u>\$111,285</u>	<u>\$ 1,743</u>	<u>\$ 13,567</u>
\$ 3,703	\$ 28,274	\$ -	\$ -	\$ 7,954	\$ 1,176	\$ 3,686
-	992	-	-	189	45	6
-	-	-	-	-	-	-
-	475	-	-	-	-	-
-	94	-	-	14	1	8
-	-	-	-	-	-	-
-	-	350	4,898	101,794	-	7,982
-	3	-	-	-	-	-
-	-	-	-	-	-	-
40	9	-	-	34	1	2
13	3	-	-	50	13	3
25	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,888	14,419	-	-	4,056	601	1,880
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,669</u>	<u>\$ 44,269</u>	<u>\$ 350</u>	<u>\$ 4,898</u>	<u>\$114,091</u>	<u>\$ 1,837</u>	<u>\$ 13,567</u>
\$ -	\$ (3,857)	\$ 3	\$ -	\$ (2,806)	\$ (94)	\$ -
-	3,857	(3)	-	2,806	94	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Raymond Comp Plan</u>	<u>Greene Rehab TA & LBP</u>	<u>Region 5 - Citizens Corp 2006</u>	<u>Jesup LB Paint</u>
REVENUES:				
Federal funds	\$ -	\$ -	\$ 5,001	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	3,318	2,279	-	2,980
Membership revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 3,318</u>	<u>\$ 2,279</u>	<u>\$ 5,001</u>	<u>\$ 2,980</u>
EXPENSES:				
Salaries and fringe benefits	\$ 1,645	\$ 743	\$ 392	\$ 1,987
Travel	29	91	-	39
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	-
Awards	-	-	-	-
Contracted services	-	1,035	4,614	45
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	1	2	3	3
Copy expense	35	29	4	6
Advertising and notices	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	839	379	200	1,013
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 2,549</u>	<u>\$ 2,279</u>	<u>\$ 5,213</u>	<u>\$ 3,093</u>
Net transactions	\$ 769	\$ -	\$ (212)	\$ (113)
Agency intrafund transfer	(769)	-	212	113
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

Region 5- 10% Hold Back 2005	Grundy Center LB Paint	Clarksville Rehab	BHC REAP Plan	Clarksville LBP	Parkersburg II LBP	Hudson Comp Plan
\$ 7,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	4,570	5,270	73	4,558	3,168	4,535
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 7,797</u>	<u>\$ 4,570</u>	<u>\$ 5,270</u>	<u>\$ 73</u>	<u>\$ 4,558</u>	<u>\$ 3,168</u>	<u>\$ 4,535</u>
\$ 2,144	\$ 975	\$ 2,506	\$ 316	\$ 1,371	\$ 1,831	\$ 2,681
7	104	365	-	32	101	57
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	2	3	-	-	-	-
-	-	-	-	-	-	-
5,454	785	1,725	-	920	295	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18	71	59	7	64	2	-
2	12	24	23	4	1	25
-	-	-	-	-	-	-
-	-	14	-	-	-	-
-	2,123	-	-	1,444	-	-
1,093	498	1,278	161	700	933	1,367
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8,719</u>	<u>\$ 4,570</u>	<u>\$ 5,974</u>	<u>\$ 507</u>	<u>\$ 4,535</u>	<u>\$ 3,163</u>	<u>\$ 4,130</u>
\$ (922)	\$ -	\$ (704)	\$ (434)	\$ 23	\$ 5	\$ 405
922	-	704	434	(23)	(5)	(405)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Waterloo Relocation</u>	<u>MET-MR Waiver</u>	<u>Laporte City Rehab</u>	<u>Nashua Tornado Shelter</u>
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	3,778	1,560	5,737	7,493
Membership revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 3,778</u>	<u>\$ 1,560</u>	<u>\$ 5,737</u>	<u>\$ 7,493</u>
EXPENSES:				
Salaries and fringe benefits	\$ 2,489	\$ 701	\$ 2,745	\$ 4,904
Travel	14	-	107	85
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	-
Awards	-	-	-	-
Contracted services	-	-	1,400	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	6	1	46	1
Copy expense	1	104	39	1
Advertising and notices	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	1,268	357	1,400	2,502
Provision for forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 3,778</u>	<u>\$ 1,163</u>	<u>\$ 5,737</u>	<u>\$ 7,493</u>
Net transactions	\$ -	\$ 397	\$ -	\$ -
Agency intrafund transfer	-	(397)	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

<u>CF Schools Fire Safety</u>	<u>Laporte City LBP</u>	<u>Housing Trust Fund II</u>	<u>Region 6- Homeland Security FA 2005</u>	<u>Dunkerton Homes</u>	<u>New Hampton CEBA-Zips</u>	<u>Wellsburg Rehab</u>
\$ -	\$ -	\$ -	\$650,173	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
455	6,598	11,473	-	2,417	41	12,359
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	486	100	-	-	-
<u>\$ 455</u>	<u>\$ 6,598</u>	<u>\$ 11,959</u>	<u>\$650,273</u>	<u>\$ 2,417</u>	<u>\$ 41</u>	<u>\$ 12,359</u>
\$ 231	\$ 3,455	\$ 84	\$ 12,155	\$ 962	\$ 27	\$ 6,462
9	85	8	150	118	-	292
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1	35	1	-	8
-	-	-	-	-	-	-
-	1,043	-	641,549	825	-	2,225
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	91	-	67	21	-	61
-	7	1	66	23	-	15
-	-	-	-	-	-	-
-	-	21	-	-	-	-
-	155	-	-	-	-	-
118	1,762	43	6,199	491	14	3,296
-	-	11,473	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 359</u>	<u>\$ 6,598</u>	<u>\$ 11,631</u>	<u>\$660,221</u>	<u>\$ 2,441</u>	<u>\$ 41</u>	<u>\$ 12,359</u>
\$ 96	\$ -	\$ 328	\$ (9,948)	\$ (24)	\$ -	\$ -
(96)	-	(328)	9,948	24	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	<u>Wellsburg LBP</u>	<u>Shell Rock Rehab-Gen Admin</u>	<u>Shell Rock Rehab-TA & LBP</u>	<u>Raymond HMP</u>
REVENUES				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	5,304	8,983	3,832	169
Membership revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 5,304</u>	<u>\$ 8,983</u>	<u>\$ 3,832</u>	<u>\$ 169</u>
EXPENSES:				
Salaries and fringe benefits	\$ 1,305	\$ 5,416	\$ 1,663	\$ 112
Travel	31	262	225	-
Meals	-	-	-	-
Seminar	-	348	40	-
Telephone/internet	-	3	1	-
Awards	-	-	-	-
Contracted services	1,010	-	1,035	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	67	111	10	-
Copy expense	4	81	11	-
Advertising and notices	-	-	-	-
Recording fees	-	-	-	-
Relocation	2,222	-	-	-
Administrative overhead	665	2,762	847	57
Provision of forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 5,304</u>	<u>\$ 8,983</u>	<u>\$ 3,832</u>	<u>\$ 169</u>
Net transactions	\$ -	\$ -	\$ -	\$ -
Agency intrafund transfer	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

<u>Dunkerton Zoning Ordinance</u>	<u>Dike Rehab</u>	<u>Dike LBP</u>	<u>Butler Co CEBA</u>	<u>Housing Trust Fund #4</u>	<u>Waverly HMP</u>	<u>Housing Fund HBA</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
563	4,275	5,019	227	46,286	662	49,399
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	453	-	-
<u>\$ 563</u>	<u>\$ 4,275</u>	<u>\$ 5,019</u>	<u>\$ 227</u>	<u>\$ 46,739</u>	<u>\$ 662</u>	<u>\$ 49,399</u>
\$ 369	\$ 2,491	\$ 2,463	\$ 151	\$ 358	\$ 434	\$ 1,876
-	60	35	-	178	-	17
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	575	647	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	33	46	-	9	2	26
5	32	11	-	-	5	10
-	-	-	-	-	-	-
-	-	-	-	7	-	60
-	-	560	-	-	-	-
188	1,271	1,257	76	183	221	957
-	-	-	-	45,551	-	46,453
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 562</u>	<u>\$ 4,462</u>	<u>\$ 5,019</u>	<u>\$ 227</u>	<u>\$ 46,286</u>	<u>\$ 662</u>	<u>\$ 49,399</u>
\$ 1	\$ (187)	\$ -	\$ -	\$ 453	\$ -	\$ -
(1)	187	-	-	(453)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	Butler Co HMP	Blackhawk Co HMP	New Hampton CEBA	Waverly Rehab II
REVENUES				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local:				
Contract revenue	750	568	534	9,630
Membership revenue	-	-	-	-
Document fee	-	-	-	-
Miscellaneous	-	-	-	-
Interest	-	-	-	-
Total	<u>\$ 750</u>	<u>\$ 568</u>	<u>\$ 534</u>	<u>\$ 9,630</u>
EXPENSES:				
Salaries and fringe benefits	\$ 497	\$ 375	\$ 353	\$ 5,087
Travel	-	-	-	373
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	2
Awards	-	-	-	-
Contracted services	-	-	-	1,450
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	-	-	94
Copy expense	-	1	-	30
Advertising and notices	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Administrative overhead	253	192	181	2,594
Provision of forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 750</u>	<u>\$ 568</u>	<u>\$ 534</u>	<u>\$ 9,630</u>
Net transactions	\$ -	\$ -	\$ -	\$ -
Agency intrafund transfer	-	-	-	-
Operating transfer in	-	-	-	-
Net assets beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 1
(continued)

<u>Dumont Rehab</u>	<u>Chickasaw Co HMP</u>	<u>Butler SW Personnel</u>	<u>Dumont LBP</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$1,329,465
-	-	-	-	147,138
4,100	627	1,520	3,558	779,101
-	-	-	-	91,910
-	-	-	-	1,604
-	-	-	-	34,120
-	-	-	-	37,832
<u>\$ 4,100</u>	<u>\$ 627</u>	<u>\$ 1,520</u>	<u>\$ 3,558</u>	<u>\$2,421,170</u>
\$ 2,196	\$ 416	\$ 847	\$ 1,552	\$ 747,415
256	-	-	83	28,783
-	-	-	-	5,363
-	-	-	-	5,936
5	-	-	-	1,865
-	-	-	-	380
700	-	-	460	1,131,600
-	-	-	-	250
-	-	-	-	21
45	-	-	31	6,909
-	-	-	4	7,406
-	-	-	-	553
-	-	-	-	221
-	-	-	640	10,218
1,120	211	432	791	380,177
-	-	-	-	181,434
-	-	-	-	12,152
-	-	-	-	995
-	-	-	-	450
<u>\$ 4,322</u>	<u>\$ 627</u>	<u>\$ 1,279</u>	<u>\$ 3,561</u>	<u>\$2,522,128</u>
\$ (222)	\$ -	\$ 241	\$ (3)	\$ (100,958)
222	-	(241)	3	-
-	-	-	-	13,815
-	-	-	-	2,661,823
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,574,680</u>

See Accompanying Independent Auditor's Report.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF SELECTED PROJECT COSTS AND COMPUTATION OF SELECTED PROJECT GRANTS
YEAR ENDED JUNE 30, 2008

	STA Operating Assistance	Section 18 Operating 18-0028- 070-08	07-MPO- INRCOG
Operating Expenses:			
Personal Services	\$ -	\$ -	\$ -
Contractual Services	322,678	503,570	-
Commodities	-	-	-
Capital Outlay	-	-	-
Prior Year	-	-	231,560
Project Cost	<u>\$ 322,678</u>	<u>\$ 503,570</u>	<u>\$ 231,560</u>
Grant Participation in Project Cost	100%	50%	80%
Percentage Participation	<u>\$ 322,678</u>	<u>\$ 251,785</u>	<u>\$ 185,248</u>
Contract Amount	<u>\$ 322,678</u>	<u>\$ 251,785</u>	<u>\$ 224,780</u>
Permissible Grant (Lesser of Contract Amount or Percentage Participation)	\$ 322,678	\$ 251,785	\$ 185,248
Less: Grant Payments received in current year	(311,971)	(251,785)	(40,120)
Less: Grant Payments received in prior year	-	-	(145,128)
Grant Receivable/(Payable) at June 30, 2008	<u>\$ 10,707</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

<u>08-MPO- INRCOG</u>	<u>07-RPA-R07</u>	<u>08-RPA-R07</u>	Region V-2005 <u>Homeland Security</u>	Region VI-2005 <u>Homeland Security</u>
\$ -	\$ -	\$ -	\$ -	\$ -
227,225	-	77,243	13,045	658,453
-	-	-	-	-
-	-	-	-	-
-	74,140	-	33,980	1,136,008
<u>\$227,225</u>	<u>\$ 74,140</u>	<u>\$ 77,243</u>	<u>\$ 47,025</u>	<u>\$1,794,461</u>
80%	80%	80%	100%	100%
<u>\$181,780</u>	<u>\$ 59,312</u>	<u>\$ 61,794</u>	<u>\$ 47,025</u>	<u>\$1,794,461</u>
<u>\$213,119</u>	<u>\$ 59,312</u>	<u>\$ 61,794</u>	<u>\$605,149</u>	<u>\$1,794,493</u>
\$181,780	\$ 59,312	\$ 61,794	\$ 47,025	\$1,794,461
(125,578)	(22,111)	(45,616)	(15,909)	(660,299)
-	(37,201)	-	(31,116)	(1,134,162)
<u>\$ 56,202</u>	<u>\$ -</u>	<u>\$ 16,178</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF SELECTED PROJECT COSTS AND COMPUTATION OF SELECTED PROJECT GRANTS
YEAR ENDED JUNE 30, 2008

	Region V 2006 <u>Homeland Security</u>	Region VI 2006 <u>Homeland Security</u>	EDA <u>05-83-04169</u>	<u>Total</u>
Operating Expenses:				
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	129,753	233,597	114,601	2,280,165
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Prior Year	-	-	-	1,475,688
Project Cost	<u>\$129,753</u>	<u>\$233,597</u>	<u>\$ 114,601</u>	<u>\$3,755,853</u>
Grant Participation in Project Cost	<u>100%</u>	<u>100%</u>	<u>50%</u>	
Percentage Participation	<u>\$129,753</u>	<u>\$233,597</u>	<u>\$ 57,301</u>	<u>\$3,324,734</u>
Contract Amount	<u>\$596,212</u>	<u>\$810,768</u>	<u>\$ 51,000</u>	<u>\$4,991,090</u>
Permissible Grant (Lesser of Contract Amount or Percentage Participation)	\$129,753	\$233,597	\$ 51,000	\$3,318,433
Less: Grant Payments received in current	(127,881)	(235,890)	(51,000)	(1,888,160)
Less: Grant Payments received in prior year	-	-	-	(1,347,607)
Grant Receivable/(Payable) at June 30, 2008	<u>\$ 1,872</u>	<u>\$ (2,293)</u>	<u>\$ -</u>	<u>\$ 82,666</u>

See Accompanying Independent Auditor's Report.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 SCHEDULE OF EXPENSES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

<u>GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>AGENCY PASS-THROUGH NUMBER</u>	<u>PROGRAM EXPENSES</u>
Direct:			
Department of Commerce:			
Economic Development Administration:			
Planning Grant	11.302	05-83-04169	\$ 51,000
Indirect:			
Department of Transportation:			
Iowa Department of Transportation:			
Metropolitan Intermodal Planning	20.205	08-RPA-R07	\$ 39,297
	20.205	08-MPO-R07	181,780
			<u>\$ 221,077</u>
Urban Mass Transportation Technical Studies Grants:			
Planning	20.515	08-RPA-R07	\$ 22,497
Non-urban Operating Assistance Project	20.509	18-0028-070-08	\$ 251,785
Total Department of Transportation			<u>\$ 495,359</u>
Homeland Security	97.067	Region V-2005	\$ 13,045
	97.067	Region VI-2005	658,453
	97.067	Region V-2006	129,753
	97.067	Region VI-2006	233,597
			<u>\$1,034,848</u>
 Total			 <u>\$1,581,207</u>

See Accompanying Independent Auditor's Report.



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

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

I have audited the basic financial statements of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2008 and have issued my report thereon dated December 3, 2008. My report expressed unqualified opinions on the financial statements. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered INRCOG's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of INRCOG's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of INRCOG's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified a deficiency in internal control over financial reporting that I consider to be a significant deficiency as well as a material weakness.

A control deficiency exists when the design or operation of the 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 INRCOG's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principals such that there is more than a remote likelihood a misstatement of INRCOG's financial statements that is more than inconsequential will not be prevented or detected by INRCOG's internal control. I consider the deficiency in internal control described in Part II of the accompanying Schedule of Findings to be a significant deficiency in internal control over financial reporting.

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

My consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency described above, item II-A-08, is a material weakness.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about INRCOG's operations for the year ended June 30, 2008 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of INRCOG. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes

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

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



December 3, 2008



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

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

Compliance

I have audited the compliance of Iowa Northland Regional Council of Governments (INRCOG), with the types of compliance requirements described in 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, 2008. INRCOG's major federal program is identified in Part I of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of INRCOG's management. My responsibility is to express an opinion on INRCOG's compliance based on my audit.

I conducted my audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards, and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about INRCOG's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on INRCOG's compliance with those requirements.

In my opinion, INRCOG complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The management of INRCOG is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing my audit, I considered INRCOG's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of INRCOG's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in INRCOG's internal control that might be significant deficiencies or material weaknesses as defined below. No current year significant deficiencies were noted.

A control deficiency in INRCOG'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 non-compliance 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 INRCOG's ability to administer a federal program such that there is more than a remote likelihood non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by INRCOG's internal control.

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

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

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

December 3, 2008

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
Schedule of Findings
Year Ended June 30, 2008

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) A significant deficiency in the internal control over financial reporting was disclosed by the audit of the financial statements, which was a material weakness.
- (c) The audit did not disclose any noncompliance which is material to the financial statements.
- (d) The audit did not disclose any significant deficiencies in internal control over its major program.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 97.067 - Homeland Security Grant Program.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) INRCOG did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCY:

II-A-08 Countersignature of Checks - The board requires disbursements of over \$100 be signed by two authorized individuals. I noted a check written for over \$100 with only one authorized signature.

Recommendation - Checks should be made out and signed by one individual and then the supporting documentation should be made available with the check to the second individual for the countersignature.

Response - We will follow this recommendation to the best of our ability.

Conclusion - Response accepted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
Schedule of Findings
Year Ended June 30, 2008

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

SIGNIFICANT DEFICIENCIES:

None

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-08 Questionable Expenses - No expenses I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-B-08 Travel Expense - No expenses of INRCOG money for travel expenses of spouses of INRCOG officials or employees were noted.
- IV-C-08 Business Transactions - No business transactions between INRCOG and INRCOG officials or employees were noted.
- IV-D-08 Bond Coverage - Surety bond coverage of INRCOG officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-E-08 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and INRCOG's investment policy were noted.
- IV-F-08 Board Minutes - No transactions were found that I believe should have been approved in the Board minutes but were not.

