

UPPER EXPLORERLAND REGIONAL
PLANNING COMMISSION

FINANCIAL REPORT

JUNE 30, 2008

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Upper Explorerland Regional Planning Commission, as of June 30, 2008 and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 Upper Explorerland Regional Planning Commission, as of June 30, 2008, and the respective changes in financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our reports dated January 8, 2009 on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 and 22 through 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission'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 three years ended June 30, 2007 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 12, including the Schedule of Expenditures 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 our 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.

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

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

January 8, 2009

Management Discussion and Analysis of Upper Explorerland Regional Planning Commission (UERPC) as of June 30, 2008, as required by GASB 34 rules:

The Financial Statements of Upper Explorerland Regional Planning Commission (UERPC) consist of the operations of UERPC and the Workforce Investment Act (WIA) (WIA is job training and job retraining programs, along with the Promise Jobs program). These WIA programs are administered by UERPC. Additionally, along with all of the various programs that fall under UERPC, UERPC acts as the Fiscal Agent for the Iowa Workforce Development program in the Region 1 Employment and Training district, this program is listed in the audit as CSP. Programs that UERPC administers and that are not included in this audit report are the Upper Explorerland Regional Housing Authority (RHA).

As of June 30, 2008 Total Assets (TA) were \$3,445,558. Included in the makeup of TA were the following categories as found on Exhibit A of this report:

Cash and cash equivalents	\$ 654,569
Certificates of deposit	\$ 400,000
Accounts Rec. Federal sources	\$ 196,301
Accounts Rec. Other	\$ 178,940
Interest Rec.	\$ 7,605
Loans Pending	\$ 210,000
Loans Rec.	\$1,601,742
Fixed Assets (net)	\$ 196,401
Total Assets	\$3,445,558

As of June 30, 2008 Total Liabilities (TL) were \$1,413,997. Included in the makeup of TL were the following categories as found on Exhibit A of this report:

Accounts Payable	\$ 277,151
Accrued interest payable	\$ 2,631
Accrued leave additive (unused annual leave of employees – earned but not used)	\$ 69,074
Deferred income	\$ 106,622
Loan payment due within one year (Intermediary Loan Program – Funds borrowed from the USDA at an interest rate of 1% per annum)	\$ 49,800
USDA Loan payable balance	\$ 908,719
Total Liabilities	\$1,413,997

As of June 30, 2008 Net Assets (NA) were \$2,031,561. Included in the makeup of NA were the following categories as found on Exhibit A of this report:

Investment in Fixed Assets	\$ 196,401
Items reserved by the Commission:	
CGOI:	\$ 110,000
Car replacement reserve	\$ 30,581
Unreserved	\$ 475,701
Restricted Fund Balances	\$1,218,878
Total Net Assets	\$2,031,561

Of the amount of Total Net Assets reflected in the schedule above, the unrestricted portion of these assets totaled \$616,282. This amount reflects an increase of \$34,407 after the operation of the Commission during the period of July 1, 2007 to June 30, 2008.

This amount of \$616,282 includes all of the net assets of the Commission and represents the Equity of the organization. As a comparison of the equity position of the Commission, the Equity at the June 30, 1999 period was \$232,109 compared to the current Equity balance of \$616,282 as of June 30, 2008.

This audit report does not reflect any findings by the audit firm engaged to perform the audit. Throughout the audit report various schedules reflect revenue and expenses of the various programs that the Commission operates. The reader is encouraged to review these schedules and the entire audit report in its entirety.

Tom W. Masey
 Executive Director
 Upper Explorerland Regional Planning Commission
 Postville, Iowa
 January 19, 2008

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

STATEMENT OF NET ASSETS

As of June 30,2008

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 654,569
Certificate of deposit	400,000
Accounts receivable, federal sources	196,301
Accounts receivable, other	178,940
Interest receivable	7,605
Loans Pending	210,000
Loans receivable	1,601,742
Fixed assets(net)	<u>196,401</u>
TOTAL ASSETS	<u><u>\$ 3,445,558</u></u>
LIABILITIES	
Accounts payable	\$ 277,151
Accrued interest payable	2,631
Accrued leave additive	69,074
Deferred income	106,622
Noncurrent liabilities:	
Due within one year:	
Loan payable	49,800
Due in more than one year:	
Loan payable	<u>908,719</u>
TOTAL LIABILITIES	<u>1,413,997</u>
NET ASSETS	
Investment in fixed assets	196,401
Fund balance:	
Reserved by the board:	
CGOI	110,000
Car replacement	30,581
Unreserved	475,701
Restricted Fund Balance	<u>1,218,878</u>
TOTAL NET ASSETS	<u>2,031,561</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 3,445,558</u></u>

SEE NOTES TO FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008

Functions / Programs:	Expenses	Program Receipts		Net (Expense)
		Charges for Service	Operating Grants Contributions Restr. Int.	Revenue and Changes in Net Assets Governmental Activities
Governmental activities:				
Salaries	\$ 724,236	244,588	491,332	11,684
Employee benefits	173,929	31,901	144,260	2,232
Travel and per diem	24,034	7,243	16,413	(378)
Conferences and training	1,322	308	1,007	(7)
Client Training	287,967	-	282,949	(5,018)
Other support	119,965	39,163	80,373	(429)
Equipment purchase/lease	10,150	914	9,070	(166)
Office/office supplies	780			
In Kind Match	84,355	50,034	37,895	3,574
Allocated costs	189,604	56,681	136,724	3,801
Interest	9,938	-	14,874	4,936
Depreciation	12,747	12,479	-	(268)
Grants/Programs	919,018	-	925,350	6,332
Total governmental activities	\$ 2,558,045	443,311	2,140,247	25,513
General Revenues (Uses):				
Unrestricted interest				17,904
Other Income				12,919
Total General Revenues				30,823
Change in Net Assets				56,336
Net assets beginning of year				1,971,917
Net fixed asset adjustments				3,308
Net assets end of year				\$ 2,031,561
Net Assets				
Restricted:				
HAWC				55,000
Revolving Loan Fund				465,276
Intermediary Relending Program				698,602
Unrestricted				812,683
				\$ 2,031,561

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2008

	General Fund	Special Revenue	
		CSP	RLF
ASSETS			
Cash and cash equivalents	\$ 444,331	4,880	77,723
Certificate of deposit	200,000	-	-
Accounts receivable, federal	17,912	117,167	-
Accounts receivable, other	138,554	24,222	-
Interest receivable	1,314	-	1,448
Fixed Assets	-	-	-
Loans Pending	-	-	-
Loans receivable	-	-	394,973
TOTAL ASSETS	\$ 802,111	146,269	474,144
LIABILITIES			
Accounts payable	\$ 49,856	146,269	8,867
Accrued interest payable	-	-	-
Accrued leave additive	42,565	-	-
Deferred income	93,408	-	-
TOTAL LIABILITIES	185,829	146,269	8,867
FUND EQUITY			
Fund balance:			
Unreserved	475,701	-	-
Reserved by the board:			
CGOI	110,000	-	-
Car replacement	30,581	-	-
Restricted:			
Restricted Fund Balance	-	-	465,277
Debt Reserve	-	-	-
Local Match	-	-	-
TOTAL FUND EQUITY	616,282	-	465,277
TOTAL LIABILITIES & FUND EQUITY	\$ 802,111	146,269	474,144

TOTAL FUND EQUITY PER EXHIBIT C

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

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

Loans payable

NET ASSETS OF GOVERNMENTAL ACTIVITIES-EXHIBIT A

See notes to financial statements

EXHIBIT C

IRP	HAWC	WIA	Totals
71,347	44,297	11,992	654,570
200,000	-	-	400,000
-	-	61,222	196,301
-	-	16,164	178,940
4,843	-	-	7,605
-	-	-	-
210,000	-	-	210,000
1,195,451	11,318	-	1,601,742
<u>1,681,641</u>	<u>55,615</u>	<u>89,378</u>	<u>3,249,158</u>

21,890	615	49,654	277,151
2,631	-	-	2,631
-	-	26,509	69,074
-	-	13,215	106,623
<u>24,521</u>	<u>615</u>	<u>89,378</u>	<u>455,479</u>

-	-	-	475,701
-	-	-	110,000
-	-	-	30,581
1,249,609	55,000	-	1,769,886
57,511	-	-	57,511
350,000	-	-	350,000
<u>1,657,120</u>	<u>55,000</u>	<u>-</u>	<u>2,793,679</u>
<u>1,681,641</u>	<u>55,615</u>	<u>89,378</u>	<u>3,249,158</u>

\$ 2,793,679

196,401

(958,519)

\$ 2,031,561

See notes to financial statements

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE-GOVERNMENT FUNDS**
 Year Ended June 30, 2008

REVENUES	General	Special Revenue	
	Fund	WIA	CSP
Intergovernmental:			
Federal	\$ -	-	1,743,463
State	-	-	64,189
Local	443,311	-	-
Miscellaneous:			
Interest	17,904	-	-
Other	12,919	-	-
Total revenues	<u>474,134</u>	<u>-</u>	<u>1,807,652</u>
EXPENDITURES			
Salaries	249,842	314,782	-
Employee benefits	32,586	115,303	-
Travel and per diem	7,399	12,724	-
Conferences and training	315	-	-
Client Training		287,967	-
Other support	39,223	79,398	-
Equipment purchase/lease	5,644	8,396	-
Office/ office supplies	780	-	-
In Kind Match	51,109	-	-
Allocated costs	57,898	77,786	9,595
Interest	-	-	-
Grants/Programs	-	-	917,321
Depreciation	-	-	-
Long term debt principal	-	-	-
Total expenditures	<u>444,796</u>	<u>896,356</u>	<u>926,916</u>
NET REVENUES (EXPENDITURES)	29,338	(896,356)	880,736
OTHER FUNDING SOURCES (USES)			
Purchase of Fixed Assets	4,710	-	-
TRANSFERS:			
Special Revenue:			
Fiscal Agent for CSP	-	880,736	(880,736)
Youth Offender	-	15,620	-
NET CHANGE IN FUND BALANCES	34,048	-	-
FUND BALANCE, beginning	<u>582,234</u>	<u>-</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 616,282</u>	<u>-</u>	<u>-</u>

See notes to financial statements

<u>IRP</u>	<u>RLF</u>	Other Nonmajor Gov Fds	<u>Total</u>
-	-	143,282	1,886,745
-	-	-	64,189
-	-	69,183	512,494
87,313	25,203	1,630	132,050
3,757	2,227	-	18,903
<u>91,070</u>	<u>27,430</u>	<u>214,095</u>	<u>2,614,381</u>
32,506	15,454	111,652	724,236
7,816	3,703	14,521	173,929
-	-	3,911	24,034
-	-	1,007	1,322
-	-	-	287,967
-	-	1,344	119,965
-	-	820	14,860
-	-	-	780
-	-	33,246	84,355
10,585	4,478	29,262	189,604
9,938	-	-	9,938
-	-	1,697	919,018
-	-	-	-
49,354	-	-	49,354
<u>110,199</u>	<u>23,635</u>	<u>197,460</u>	<u>2,599,362</u>
(19,129)	3,795	16,635	15,019
-	-	-	4,710
-	-	-	-
-	-	(15,620)	-
(19,129)	3,795	1,015	19,729
<u>1,676,249</u>	<u>461,482</u>	<u>53,985</u>	<u>2,773,950</u>
<u>1,657,120</u>	<u>465,277</u>	<u>55,000</u>	<u>2,793,679</u>

See notes to financial statements

EXHIBIT E

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES**
 For The Year Ended June 30, 2008

Net change in fund balances-total governmental funds governmental funds-Exhibit D	\$ 15,019
Amounts reported for governmental activities in the statement of activities are different because:	
The acquisition of capital assets are reported in the governmental funds as expenditures. However for governmental activities those costs are shown in statement of net assets and allocated over their esimated useful lives as annual depreciation expenses in the statement of activities. Assets disposed of for less than book value (cost less accumulated depreciation) are recorded as losses on disposition of fixed assets. Disposals for more than book value are recorded as gains on disposition of fixed assets.	4,710
Depreciation expense reported in the statement of activities	(12,747)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.	<u>49,354</u>
Change in net assets-Statement of Activities-Exhibit B	<u>\$ 56,336</u>

See notes to financial statements

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

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

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

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

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

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

B. Measurement Focus and Basis of Accounting

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Commission considers all revenues reported in the governmental funds to be available in the current period or soon enough thereafter, sixty days, to be considered revenues of the current period. Expenditures are recorded when the related fund liability is incurred and is measurable except for principal and interest

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

on general long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long term debt and acquisitions under capital leases are reported as other financing sources.

C. Basis of Presentation

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

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

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

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

The Commission has no business-type activities or fiduciary funds.

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

The Commission reports the following major governmental funds:

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

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

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

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

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

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

D. Cash Equivalents

The Commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2008.

E. Budgets and Budgetary Accounting

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

F. Allocation of Fringe Benefits and Indirect Costs

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

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

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

Indirect costs are allocated based on the direct payroll percentages.

G. Estimates

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

2) FISCAL AGENT

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

3) CASH AND CASH EQUIVALENTS

Cash and equivalents consists of deposits at financial institutions and certificates of deposits with a maturity of three years or less. Cash and cash equivalents by fund are as follows:

Commission	\$444,331
H.A.W.C	44,297
R.L.F	4,880
I.R.P	77,722
W.I.A	<u>11,992</u>
	<u>\$654,569</u>

The Commission's deposits beyond FDIC insurance are insured by Iowa under a Sinking Fund to insure public deposits under the authority of Chapter 12C, Code of Iowa and 781-13, Iowa Administrative code. This Fund insures public deposits in each individual bank up to the amount of that bank's total.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

4) ACCOUNTS RECEIVABLE

Accounts receivable are shown at their gross amounts. No allowance for bad debts is shown due to the fact that it is believed that all receivables are collectable. Accounts receivable by fund is as follows:

Accounts receivable - federal:	
Commission	\$ 17,912
C.S.P.	117,167
W.I.A.	<u>61,222</u>
	<u>\$196,301</u>

Accounts receivable - other	
Commission	\$138,554
C.S.P.	24,222
W.I.A.	<u>16,164</u>
	<u>\$178,940</u>

5) FIXED ASSETS

Fixed assets are recorded at cost and includes depreciable and non-depreciable assets. Non-depreciable assets include equipment purchased with grant dollars. Depreciable assets are depreciated over their estimated useful lives using the straight-line method of depreciation.

A summary of changes in general fixed assets follows:

	Balance June 30, <u>2007</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2008</u>
Fixed Assets	\$244,334	4,710	19,155	229,889
Accumulated Depreciation	<u>38,494</u>	<u>12,747</u>	17,753	<u>33,488</u>
Net	<u>205,840</u>	<u>(8,037)</u>	<u>1,402</u>	<u>196,401</u>

The Commission had no capitalized interest costs for the year ended June 30, 2008.

6) LEAVE ADDITIVE EMPLOYEE BENEFIT

The Commission's leave additive consists of vacation leave and compensatory overtime earned. Leave additive is calculated monthly and charged to the various programs. A liability account is used to offset these charges. When leave time is

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

actually taken, it is then charged against the leave additive liability account. The total leave additive charged to the programs for the year ended June 30, 2008, was \$77,453.

Accrued Leave Additive at June 30, 2008 was \$69,074.

7) PENSION AND RETIREMENT BENEFITS

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

Plan members are required to contribute 3.90% of their annual salary and the Commission is required to contribute 6.05% of annual covered payroll. Contribution requirements are established by State statute. The Commission's contribution to IPERS for the year ended June 30, 2008 was \$41,525.

8) COST ALLOCATION PLAN

Upper Explorerland Regional Planning Commission has adopted a cost allocation plan to allocate indirect costs to the various programs. Any cost, which cannot be assigned directly to a program, is allocated based upon this cost allocation plan. Indirect costs allocated to the various programs for the year ended June 30, 2008, totaled \$115,438.

9) SUPPORT FROM GOVERNMENTAL UNITS

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

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

10) RESTRICTED FUND BALANCE

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

Fund Balance-HAWC		\$ 55,000
Fund Balance-RLF		465,277
Fund Balance-Local Match	350,000	
Fund Balance-Loan Pool	276,901	
Fund Balance-Reserve for Bad Debt	<u>71,700</u>	
Total Fund Balance-IRP		<u>698,601</u>
TOTAL RESTRICTED FUND BALANCE-EXHIBIT A		<u>\$1,218,878</u>

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

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

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

11) CONTINGENT LIABILITY - SICK LEAVE

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

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

12) PENDING LOANS

At June 30, 2008 UERPC had two loans pending under the Intermediary Relending Program totaling \$210,000.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

13) LOANS RECEIVABLE

Loans receivable consist of the following:	
Loans under the HAWC Program	\$ 11,318
Loans under the Intermediary Relending Program (See note 12)	1,195,451
Loans under the Revolving Loan Program (See note 13)	<u>394,973</u>
Exhibit A and C	<u>\$1,601,742</u>

14) UPPER EXPLORERLAND REGIONAL HOUSING AUTHORITY

The Commission contracts for the administration of Upper Explorerland Regional Housing Authority (hereinafter call "Authority"). This is a governmental organization that is an agent for landlords who rent housing facilities to low income individuals with assistance from the Federal government. The Authority operates in Allamakee, Clayton, Fayette, Howard and Winneshiek counties of northeast Iowa. Tom Masey, executive director of the Commission, is also the director of the Authority. The Commission bills the Authority for direct salaries, fringe benefits and overhead. During the fiscal year ended June 30, 2008, this amounted to \$219,987.

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

15) INTERMEDIARY RELENDING PROGRAM (IRP)

On March 12, 1993, UERPC entered into a loan agreement with the Farmers Home Administration. The purpose of the loan is to provide "low interest financing to new and expanding business for which credit is not otherwise available or terms and conditions are not available which would permit completion and/or the successful operation of the proposed business activities." In order to secure this loan, UERPC received \$250,000 in capital contributions from the five counties it represents. The loan is for \$1,000,000 and will be for 30 years at one percent interest per annum. Principal payments were deferred for the first three years of the loan and the first amortized annual payment was made March 29, 1997. The balance of this loan at June 30, 2008, was \$584,609.

On March 20, 2003 Commission entered into an agreement with Rural Development, United States Department of Agriculture for an additional \$400,000 loan. In order to secure this loan the Commission had to contribute \$100,000. The loan is for \$400,000 and will be paid over 30 years at one percent interest per annum. Principal payments were deferred for the

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

first three years. Interest only was paid on March 20 of the years 2004, 2005 and 2006. First payment of principal and interest to be March 20, 2007 and thereafter on every March 20 for twenty seven years. The payment amount is \$16,980. The balance at June 30, 2008 was \$373,910.

As part of an "Amended IRP Revolving Fund Agreement", dated March 20, 2003 the parties have agreed to combine the two loans for purposes of establishing a Reserve for Bad Debt only. This Reserve for Bad Debt is based on the loans receivable and that loans receivable will approximate the original loan, or loans, plus intermediary contributions. Therefore when fully funded, the Reserve for Bad Debt should be approximately six percent of \$1,750,000 or \$105,000. Per the agreement the Commission should began to accumulate funds in the Reserve in accordance with their delinquency or loss records, so that the six percent requirement can be reached within three years. This Reserve is to be maintained at this level thereafter. The Commission added \$8,780 to the June 30, 2007 balance of \$62,920 to bring June 30, 2008 balance to \$71,700. This is a six percent of outstanding loans, \$1,195,451.

16) REVOLVING LOAN FUND (RLF)

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

17) EDA - IN KIND MATCH

During the year the Commission had a Support for Planning Organizations grant from the U.S. Department of Commerce for \$51,000. The grant called for a match of \$51,000. The match was to be \$19,000 in cash and \$32,000 In-Kind. The In-Kind portion of the local match was fulfilled by each of the five counties attaching a "Letter of Commitment" to the application. The commitment called for each county to contribute a minimum of 250 hours at \$30 per hour, or \$7,500.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

18) INDEBTEDNESS

There is a loan agreement with Rural Development, United States Department of Agriculture, with an original balance of \$1,000,000. Interest rate 1%. Payments are \$42,446 for thirty years. Balance at June 30, 2007 was \$620,885.

There is a loan agreement with Rural Development, United States Department of Agriculture with an original balance of \$400,000. Interest rate of 1%. Payments are \$16,980 for Thirty years. Balance at June 30, 2007 was \$386,987.

Maturity Schedule:

June 30, 2009	\$ 49,800
June 30, 2010	50,299
June 30, 2011	50,937
June 30, 2012	51,446
June 30, 2013	51,899
Subsequent Years	704,138
	<u>\$ 958,519</u>

19) LITIGATION

UERPC had no pending or threatened litigation at June 30, 2008.

20) OPERATING LEASES

The Commission leases office space in New Hampton, Iowa on an annual basis. The current lease is \$316 per month and expired July 31, 2007. New lease for year ending July 31, 2008 will be \$316 per month.

The Commission also leases office space in Decorah, Iowa on an annual basis. The current lease is \$392 per month and expired July 31, 2007. This lease was extended to July 31, 2009 at the same \$392 per month. There is a five-year option to extend this lease for a negotiable rental price.

The Commission has a two year lease for office space in Waukon, Iowa. The lease expires June 30, 2010. The lease is \$75 per month, but the Commission subleases space to Northeast Iowa Community Action Corporation for \$30 per month. Sublease is for twenty four months ending June 30, 2010.

The Commission has a six year lease for office space in Oelwein, Iowa. The lease expires June 30, 2009. The lease is for \$357 per month.

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

Future minimum lease payments are:

June 30,	New <u>Hampton</u>	<u>Decorah</u>	<u>Waukon</u>	<u>Oelwein</u>
2009	\$4,892	4,704	900	4,284
2010	416	393	-	-
2011	-	-	-	-
	<u>\$5,308</u>	<u>9,800</u>	<u>900</u>	<u>4,284</u>

21) RELATED PARTY TRANSACTIONS

No related party transactions were noted.

OTHER SUPPLEMENTARY
INFORMATION

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
 For the Year Ended June 30, 2008

REVENUES	Actual	Budget	Variance Favorable (Unfavorable)
Commission			
Per Capita	\$ 45,267	45,267	-
TEA-21/DOT Grants	72,476	55,211	17,265
DOT Grant (FTA 5304 Funds)	-	20,518	(20,518)
EDA Planning Grant	51,049	51,000	49
CSP Fiscal Agent Fees	9,846	9,595	251
RWIB Secretarial Support	2,686	3,000	(314)
SBA-504 Loan Program	1,643	1,000	643
Community Development Block Grants	33,112	35,000	(1,888)
CDBG Grants-New Projects	-	9,000	(9,000)
Housing Grants	33,518	19,000	14,518
Housing Grants-New Projects	-	15,000	(15,000)
Lead Hazard Reduction	7,133	8,500	(1,367)
WIA Fees	-	24,000	(24,000)
WIA Title III Fees	-	12,000	(12,000)
WIA Administrative Fees	-	16,000	(16,000)
Regional Housing Authority Fees	219,987	207,000	12,987
Apartment Management Fees	10,823	12,000	(1,177)
Tenant Based Rental Assistance	35,263	1,000	34,263
COG Assistance Grant	9,888	9,000	888
Intermediary Relending Program	-	60,000	(60,000)
Oelwein IRP	704	-	(59,296)
Revolving Loan Fund Program	23,572	22,000	1,572
NE Iowa Business Network	-	5,000	(5,000)
Technical Assistance Plan	4,037	2,500	1,537
Interest	17,904	15,800	2,104
Region 1 One Stop-Pass Thru	-	5,000	(5,000)
Tenant Based Rental-Pass Thru	35,263	40,000	(4,737)
NE Iowa Business Network-Pass Thru	51,134	70,000	(18,866)
Other	8,375	-	8,375
	<u>673,680</u>	<u>773,391</u>	<u>(159,711)</u>
HAWC			
Interest	1,630	-	1,630
Other	-	-	-
	<u>1,630</u>	<u>-</u>	<u>1,630</u>
IRP			
Interest	87,313	-	87,313
Other	3,757	-	3,757
	<u>91,070</u>	<u>-</u>	<u>91,070</u>
RLF			
Interest	25,203	-	25,203
Other	2,227	-	2,227
	<u>27,430</u>	<u>-</u>	<u>27,430</u>
CSP			
Federal	1,743,463	1,425,191	318,272
State	64,189	-	64,189
	<u>1,807,652</u>	<u>1,425,191</u>	<u>382,461</u>
WIA			
	-	586,000	(586,000)
	<u>-</u>	<u>586,000</u>	<u>(586,000)</u>
TOTAL REVENUE	<u>2,601,462</u>	<u>2,784,582</u>	<u>(243,120)</u>

See accompanying independent auditor's report

SCHEDULE 1

(continued)

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
 For the Year Ended June 30, 2008

EXPENDITURES Commission	Actual	Budget	Variance Favorable (Unfavorable)
Salaries	361,493	455,225	93,732
Employee Benefits	47,107	62,365	15,258
Travel	6,605	11,250	4,645
Car Replacement	4,706	9,350	4,644
Capital Improvement Reserve	4,710	4,200	(510)
Office	780	1,000	220
Equipment Purchase/Lease	1,753	6,500	4,747
Communications	484	-	(484)
Conferences/Training	1,322	2,500	1,178
Advertising	-	500	500
Marketing	-	1,000	1,000
Dues & Subscriptions	65	1,000	935
Professional Fees	3,441	3,250	(191)
Legal/Filing Fees	2,933	1,000	(1,933)
Printing and Reproduction	(25)	250	275
Repairs & Maintenance	619	2,500	1,881
Postage	590	750	160
Miscellaneous	161	500	339
Allocated Costs	87,160	125,000	37,840
EDA In-Kind	32,000	-	(32,000)
Youth Offender	18,563	-	(18,563)
Region One Stop	-	5,000	5,000
Tenant-Based Rental Assistance Program	31,337	40,000	8,663
NE Iowa Business Network	44,108	70,000	25,892
Community Foundation	7,000	-	(7,000)
	<u>656,912</u>	<u>803,140</u>	<u>146,228</u>
CSP			
Program Expenses	917,321	965,846	48,525
Administration	9,595	9,595	-
	<u>926,916</u>	<u>975,441</u>	<u>48,525</u>
HAWC			
Program Expenses	615	-	(615)
IRP			
Program Expenses	110,199	-	(110,199)
RLF			
Program Expenses	23,635	-	(23,635)

See accompanying independent auditor's report

SCHEDULE 1
(continued)

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
FUND BALANCE-BUDGET AND ACTUAL-GENERAL FUND
For the Year Ended June 30, 2008

WIA	Actual	Budget	Variance Favorable (Unfavorable)
Salaries	314,782	353,300	38,518
Employee Benefits	115,303	128,700	13,397
Travel/Per Diem	12,724	10,000	(2,724)
Office Supplies-County Offices		500	500
Rent-County Offices	13,328	13,350	22
RSA Costs-County Offices		3,000	3,000
Telephone-County Offices		5,000	5,000
T-1 Computer Connection-Postville		2,700	2,700
Advertising	833	500	(333)
Audit Expense	3,500	3,500	-
Printing	3,902	1,000	(2,902)
Equipment	8,470	500	(7,970)
Allocated Costs	77,786	79,400	1,614
Miscellaneous	46,685	2,000	(44,685)
Training Supplies	9,892	1,500	(8,392)
Workmans Comp	130	800	670
WIA Client Fica	1,054	-	(1,054)
Client Training	287,967	-	(287,967)
	<u>896,356</u>	<u>605,750</u>	<u>(290,606)</u>
TOTAL EXPENDITURES	<u>2,614,633</u>	<u>2,384,331</u>	<u>(230,302)</u>
Deficiency of Revenues over Expenditures	(13,171)	400,251	(413,422)
Fund Balance, Beginning of Year	<u>1,971,917</u>	<u>1,912,468</u>	<u>59,449</u>
Fund Balance, End of Year	<u>\$ 1,958,746</u>	<u>2,312,719</u>	<u>(353,973)</u>

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended June 30, 2008

REVENUES	HAWC	Economic Devel. Services	Department of Trans- poration	Youth Offender	Total Nonmajor Gov Fds
Intergovernmental					
Federal	\$ -	51,000	72,476	19,806	143,282
State	-	-	-	-	-
Local	-	51,065	18,118	-	69,183
Miscellaneous					
Interest	1,630	-	-	-	1,630
Other	-	-	-	-	-
Total revenues	<u>1,630</u>	<u>102,065</u>	<u>90,594</u>	<u>19,806</u>	<u>214,095</u>
EXPENDITURES					
Salaries	-	47,305	63,330	1,017	111,652
Employee benefits	-	5,919	8,482	120	14,521
Travel and per diem	-	2,813	1,098	-	3,911
Conferences and training	-	1,007	-	-	1,007
Other support	615	229	500	-	1,344
Equipment purchase/ lease	-	820	-	-	820
Office/Office Supplies	-	-	-	-	-
In Kind	-	32,000	-	1,246	33,246
Allocated costs	-	11,972	17,184	106	29,262
Long term debt principal	-	-	-	-	-
Interest	-	-	-	-	-
Grants/Programs	-	-	-	1,697	1,697
Total expenditures	<u>615</u>	<u>102,065</u>	<u>90,594</u>	<u>4,186</u>	<u>197,460</u>
NET REVENUES					
(EXPENDITURES)	<u>1,015</u>	-	-	15,620	16,635
TRANSFER TO WIA	-	-	-	(15,620)	(15,620)
FUND BALANCE, beginning	53,985	-	-	-	53,985
FUND BALANCE, ending	<u>\$ 55,000</u>	-	-	-	<u>55,000</u>

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE**
 WORKFORCE INVESTMENT ACT
 Year Ended June 30, 2008

	07-W-01-FR-0				
	WIA Title I Admin	WIA Adult	WIA Youth	WIA Dislocated Worker	WIA SWA Incentive
REVENUES					
Intergovernmental					
Federal	\$ -	-	-	-	-
Other	-	-	-	-	-
Total revenues	-	-	-	-	-
EXPENDITURES					
Salaries	24,960	35,036	49,909	57,467	9,637
Employee benefits	8,820	10,218	26,713	17,450	2,920
Travel/ per diem	1,397	1,831	1,355	2,886	270
Client training	-	42,635	72,175	111,950	36,669
Training support	-	-	-	-	-
Other support	4,985	6,948	12,738	13,231	2,649
Equipment purchased	118	922	1,202	1,332	333
Allocated costs	18,496	8,881	11,466	14,499	2,518
Total expenditures	58,776	106,471	175,558	218,815	54,996
NET EXCESS REVENUES (EXPENDITURES)	(58,776)	(106,471)	(175,558)	(218,815)	(54,996)
TRANSFERS IN :					
Special revenue					
CSP	58,776	106,471	175,558	218,815	54,996
Commission	-	-	-	-	-
	58,776	106,471	175,558	218,815	54,996
NET EXCESS REVENUES AND TRANSFERS IN	-	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE END OF YEAR	\$ -	-	-	-	-

See accompanying independent auditor's report

SCHEDULE 3

Total WIA	Promise Jobs 7-W-01 FR-0	Dura E.I. 8-W-PF- RR-0-09	Dura SEG 7-W-PF- RR-0-09	EPJ NEG 7-W-01 FR-0	Accument SEG 7-W-PF- RR-1-20	Youth Offender	Total
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
177,009	116,684	-	10,270	398	1,889	8,532	314,782
66,121	43,390	-	3,914	148	441	1,289	115,303
7,739	4,052	-	663	-	14	256	12,724
263,429	-	-	19,064	-	5,474	-	287,967
-	-	-	-	-	-	-	-
40,551	27,036	4,732	2,147	56	537	4,339	79,398
3,907	4,459	-	30	-	-	-	8,396
55,860	17,601	-	2,186	474	461	1,204	77,786
614,616	213,222	4,732	38,274	1,076	8,816	15,620	896,356
(614,616)	(213,222)	(4,732)	(38,274)	(1,076)	(8,816)	(15,620)	(896,356)
614,616	213,222	4,732	38,274	1,076	8,816	-	880,736
-	-	-	-	-	-	15,620	15,620
614,616	213,222	4,732	38,274	1,076	8,816	15,620	896,356
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES
and CHANGES IN FUND BALANCE
FISCAL AGENT for COORDINATING SERVICE PROVIDER
Year Ended June 30, 2008

	Contract #7-W-01-FR-0	Contract Dura E.I. #8-W-PF- RR-0-09	Contract Dura SEG #7-W-PF- RR-0-09	Emergency Public Jobs #7-W-01 FR-0	Contract Accument SEG #7-W-PF- RR-1-20	Total Contracts
REVENUES						
Intergovernmental						
Federal	\$ 1,690,565	4,732	38,274	1,076	8,816	1,743,463
State	64,189	-	-	-	-	64,189
Total revenues	1,754,754	4,732	38,274	1,076	8,816	1,807,652
EXPENDITURES						
Programs-E.C.I.A.	727,306	-	-	-	-	727,306
Programs-I.W.D.	190,015	-	-	-	-	190,015
Administration	9,595	-	-	-	-	9,595
Total expenditures	926,916	-	-	-	-	926,916
NET EXCESS REVENUES (EXPENDITURES)	827,838	4,732	38,274	1,076	8,816	880,736
TRANSFERS IN (OUT):						
Special Revenue:						
WIA	(827,838)	(4,732)	(38,274)	(1,076)	(8,816)	(880,736)
	-	(4,732)	(38,274)	(1,076)	(8,816)	(880,736)
NET EXCESS REVENUES AND TRANSFERS OUT	-	-	-	-	-	-
FUND BALANCE, beginning	-	-	-	-	-	-
FUND BALANCE, ending	\$ -	-	-	-	-	-

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE**
FISCAL AGENT for COORDINATING SERVICE PROVIDER
 CONTRACT # 7-W-01-FR-0
 Year Ended June 30, 2008

	Workforce Investment Act	Promise Jobs	Adminis- tration	IWD Promise Jobs	General Fund- Surcharge
REVENUES					
Intergovernmental					
Federal	\$ 1,102,591	452,553	-	29,365	-
State	-	-	9,595	-	54,594
Total revenues	1,102,591	452,553	9,595	29,365	54,594
EXPENDITURES					
Programs-E.C.I.A.	487,975	239,331	-	-	-
Programs-IWD	-	-	-	29,365	54,594
Administration	-	-	9,595	-	-
Total expenditures	487,975	239,331	9,595	29,365	54,594
NET EXCESS REVENUES (EXPENDITURES)	614,616	213,222	-	-	-
TRANSFERS IN (OUT):					
Special Revenue:					
WIA	(614,616)	(213,222)	-	-	-
	(614,616)	(213,222)	-	-	-
NET EXCESS REVENUES AND TRANSFERS OUT	-	-	-	-	-
FUND BALANCE, beginning	-	-	-	-	-
FUND BALANCE, ending	\$ -	-	-	-	-

See accompanying independent auditor's report

SCHEDULE 5

Wagner Peyser	Unemployment Insurance	Disabled Veteran's Outreach	Navigator	TAA	Total Contract 7-W-01- FR-0
51,068	44,941	4,553	2,527	2,967	1,690,565
-	-	-	-	-	64,189
51,068	44,941	4,553	2,527	2,967	1,754,754
-	-	-	-	-	727,306
51,068	44,941	4,553	2,527	2,967	190,015
-	-	-	-	-	9,595
51,068	44,941	4,553	2,527	2,967	926,916
-	-	-	-	-	827,838
-	-	-	-	-	(827,838)
-	-	-	-	-	(827,838)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE**
FISCAL AGENT for COORINATING SERVICE PROVIDER
 CONTRACT # 7-W-01-FR-0
 WORKFORCE INVESTMENT ACT
 Year Ended June 30, 2008

	Admin- istrative	Adult	Youth	Dislocated Worker	SWA Set Aside	Total Workforce Investment Act
REVENUES:						
Intergovernmental						
Federal	\$ 102,929	209,592	315,936	364,141	109,993	1,102,591
State	-	-	-	-	-	-
Total revenues	102,929	209,592	315,936	364,141	109,993	1,102,591
EXPENDITURES:						
Programs-E.C.I.A.	44,153	103,121	140,378	145,326	54,997	487,975
Total expenditures	44,153	103,121	140,378	145,326	54,997	487,975
TRANSFERS IN (OUT):						
Special Revenue:						
WIA	(58,776)	(106,471)	(175,558)	(218,815)	(54,996)	(614,616)
NET	-	-	-	-	-	-
FUND BALANCE, beginning	-	-	-	-	-	-
FUND BALANCE, ending	\$ -	-	-	-	-	-

See accompanying independent auditor's report

SCHEDULE 7

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

DEPARTMENT OF LABOR

GRANT NO. 7-W-PF-RR-1-20

ACCUMENT GLOBAL TECHNOLOGIES-CAMCAR LLC

CFDA#17.260

Grant Period July 1, 2007 to June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under). Budget</u>
REVENUES			
Federal	<u>\$ 107,290</u>	<u>8,816</u>	<u>(98,474)</u>
 EXPENDITURES			
Program	<u>\$ 107,290</u>	<u>8,816</u>	<u>(98,474)</u>

See accompanying independent auditor's report

SCHEDULE 8

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

DEPARTMENT OF LABOR

GRANT NO. 8-W-PF-RR-0-09

DURA EARLY INTERVENTION

CFDA#17.260

Grant Period March 3, 2008 to June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	<u>\$ 5,500</u>	<u>4,732</u>	<u>(768)</u>
 EXPENDITURES			
Program	<u>\$ 5,500</u>	<u>4,732</u>	<u>(768)</u>

See accompanying independent auditor's report

SCHEDULE 9

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

DEPARTMENT OF LABOR
 GRANT NO. 7-W-PF-RR-1-09
 WIA RAPID RESPONSE-SEG
 DURA AUTOMOTIVE
CFDA#17.260

Grant Period July 1, 2007 to June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	<u>\$ 53,170</u>	<u>38,274</u>	<u>(14,896)</u>
 EXPENDITURES			
Program	<u>\$ 53,170</u>	<u>38,274</u>	<u>(14,896)</u>

See accompanying independent auditor's report

SCHEDULE 10

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
**SCHEDULE OF CUMULATIVE REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE ON COMPLETED CONTRACTS**
 DEPARTMENT OF COMMERCE
 AWARD NO. 05-83-04434
 SUPPORT FOR PLANNING ORGANIZATIONS
CFDA#11.302
 Grant Period July 1, 2007 to June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 51,000	51,000	-
Local	51,000	51,065	65
	<u>102,000</u>	<u>102,065</u>	<u>65</u>
EXPENDITURES			
Program	<u>\$ 102,000</u>	<u>102,065</u>	<u>65</u>

See accompanying independent auditor's report

SCHEDULE 11

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

FEDERAL TRANSIT ADMINISTRATION

CONTRACT NUMBER 09564

PLANNING JOINT PARTICIPATION AGREEMENT
 TO IMPLEMENT REGIONAL INTERMODAL PLANNING

CFDA#20.515

Grant Period July 1, 2007 to June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Federal	\$ 75,729	72,476	(3,253)
Local	18,932	18,118	(814)
	<u>\$ 94,661</u>	<u>90,594</u>	<u>(4,067)</u>
EXPENDITURES			
Program	<u>\$ 94,661</u>	<u>90,594</u>	<u>(4,067)</u>

See accompanying independent auditor's report.

SCHEDULE 12

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2008

<u>Federal Grantor / Program</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Program Expenditures July 1,2007 to June 30,2008</u>
DIRECT:			
<u>U.S. Department of Commerce:</u>			
Economic Development Planning Grant	11.302	05-83-03891	\$ 51,000
Title IX Economic Adjustment Program-Revolving	11.307	Perpetual	-
TOTAL DEPARTMENT OF COMMERCE			<u>51,000</u>
INDIRECT:			
<u>U.S. Department of Transportation</u>			
Indirect passthrough Iowa Department of Transportation			
Federal Transit Administration-Transportation	20.215	9564	72,476
TOTAL DEPARTMENT OF TRANSPORTATION			<u>72,476</u>
<u>U.S. Department of Labor</u>			
Indirect passthrough Iowa Workforce Development Department			
1.) Wagner Peyser Employment Services	17.207	7-W-01-FR-0	51,068
2.) Disabled Veterans Outreach Program	17.801	7-W-01-FR-0	4,553
3.) Unemployment Insurance	17.225	7-W-01-FR-0	44,941
4.) TAA	17.245	7-W-01-FR-0	2,967
5.) Title I - Administration	17.258	7-W-01-FR-0	102,929
6.) Title I - Adult	17.258	7-W-01-FR-0	209,592
Subtotal - WIA Adult CFDA # 17.258			<u>312,521</u>
7.) WIA Youth in School Formula	17.259	7-W-01-FR-0	315,936
8.) WIA Dislocated Worker	17.260	7-W-01-FR-0	364,141
9.) Set Aside, Incentive Awards	17.260	7-W-01-FR-0	109,993
10.) Dura SEG	17.260	7-W-PF-RR-1-20	38,274
11.) Dura Early Intervention	17.260	8-W-PF-RR-0-09	4,732
12.) EPJ National Emergency Grant	17.260	7-W-01-FR-0	1,076
13.) Acument SEG	17.260	7-W-PF-RR-0-20	8,816
Subtotal - WIA Dislocated Worker CFDA # 17.260			<u>527,032</u>
14.) Navigator	17.266	7-W-01-FR-0	2,527
Subtotal - WIA Cluster CFDA # 17.258, 17.259, 17.260 & 17.266			<u>1,158,016</u>
15.) Youth Offender	17.261		19,806
TOTAL DEPARTMENT OF LABOR			<u>1,353,827</u>

See accompanying independent auditor's report

SCHEDULE 12
Continued

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Grant</u> <u>Number</u>	<u>Program</u> <u>Expenditures</u> <u>July 1, 2007</u> <u>to</u> <u>June 30, 2008</u>
<u>U.S. Department of Health and Human Services</u>			
Indirect passthrough Iowa Workforce Development Department Promise Jobs	93.558	1-W-01-FR-0	481,918
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>481,918</u>
 <u>U.S. Department of Agriculture</u>			
Business and Industrial Loans-Intermediary Relending Program	10.767	Perpetual	-
TOTAL DEPARTMENT OF AGRICULTURE			<u>-</u>
 TOTAL ALL FEDERAL PROGRAMS			 <u>\$ 1,886,745</u>

See accompanying independent auditor's report

SCHEDULE 12
Continued

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

NOTE 1-BASIS OF PRESENTATION

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

NOTE 2-SUBRECIPIENTS

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Title I-Administration	17.258,17.259,17.260	\$ 44,153
Title I-Adult	17.258	103,121
WIA Youth in School Formula	17.259	140,378
WIA Dislocated Worker	17.260	145,326
Set Aside, Incentive Awards	17.260	54,997
Promise Jobs	93.558	239,331
		<hr/> <u>\$ 727,306</u>

See accompanying independent auditor's report

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2008

There were no findings or questioned costs for the prior year ended June 30, 2007.

RFSW Ridihalgh Fuelling
Snitker Weber & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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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 Commissioners
Upper Explorerland Regional Planning Commission
Postville, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Commission's as of and for the year ended June 30, 2008, which collectively comprise the Commission's basic financial statements listed in the table of contents, and have issued our report thereon dated January 8, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standard 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 Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

Our 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.

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 the Commission's ability to initiate, authorize,

record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the Commission's internal control.

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 internal control.

Our 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of the Commission and other parties to whom the Commission 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.

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

Ridihalgh, Fuelling, Snitker, Weber & Co., P.C.
RIDIHALGH, FUELLING, SNITKER, WEBER & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

January 8, 2009

RFSW Ridihalgh Fuelling
Snitker Weber & Co.
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Compliance

We have audited the compliance of Upper Explorerland Regional Planning Commission with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Upper Explorerland Regional Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Upper Explorerland Regional Planning Commission's management. Our responsibility is to express an opinion on Upper Explorerland Regional Planning Commission's compliance based on our audit.

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

In our opinion, Upper Explorerland Regional Planning Commission complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Upper Explorerland Regional Planning Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Upper Explorerland Regional Planning Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Commission's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the Commission's internal control that might be significant deficiencies or material weaknesses as defined below.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Commission's internal control. We noted no matters involving the internal control over compliance that we consider to be a material weakness.

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

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

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

January 8, 2009

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2008

Summary of the Independent Auditor's Results

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

UPPER EXPLORERLAND REGIONAL PLANNING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2008

Findings: Financial Statement Audit

No matters were noted.

Findings and Questioned Costs: Major Federal Award Programs
Audit

No matters were noted.