

SIouxLAND INTERSTATE METROPOLITAN
PLANNING COUNCIL

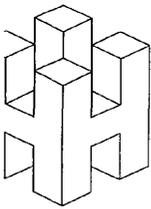
AUDITED FINANCIAL STATEMENTS

JUNE 30, 2010

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

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INDEPENDENT AUDITORS' REPORT

Siouxland Interstate Metropolitan
Planning Council
Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of Siouxland Interstate Metropolitan Planning Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, and each major fund of Siouxland Interstate Metropolitan Planning Council, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 7, 2010, on our consideration of Siouxland Interstate Metropolitan Planning Council's 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. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information included in Schedules 1 through 5, including the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Kenzie, Conner, & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
December 7, 2010

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

is Action

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Siouxland Interstate Metropolitan Planning Council (SIMPCO) 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, 2010. We encourage readers to consider this information in conjunction with the financial statements, which follow.

2010 FINANCIAL HIGHLIGHTS

- Total fund revenues increased from \$3,824,674 in fiscal 2009 to \$3,882,692 in fiscal 2010, and total fund expenditures increased from \$3,556,205 in fiscal 2009 to \$3,783,066 in fiscal 2010. The result is an increase in the total fund balance of \$99,626 from \$1,215,987 for fiscal 2009 to \$1,315,613 for fiscal 2010.
- The increase in total revenues was attributable to an increase in the general fund and special revenue fund in fiscal 2010. The increase in expenditures was attributable to an increase in the general fund, special revenue fund and the component units in fiscal year 2010. The increase in the total fund balance is due to revenues exceeding expenditures for fiscal 2010.

USING THIS ANNUAL REPORT

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

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

The Entity-wide Financial Statements consist of a statement of net assets and a statement of activities. These provide information about the activities as a whole and present an overall view of the finances.

The Fund Financial Statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements report the operations in more detail than the Entity-wide statements by providing information about the most significant funds. The activity of the Agency and Component Units are presented as part of the fund financial statements.

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

Supplementary Information further explains and supports the financial statements with detailed information about the individual funds.

Schedule of Expenditures of Federal Awards provides details of various federal programs.

Visit our Home Page at <http://www.simpco.org>

Reporting SIMPCO's Financial Activities

Entity-wide Financial Statements

The entity-wide statements report information about the entity as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the assets and liabilities. All of the current year revenues and expenditures are accounted for in the Statement of Activities regardless of when cash is received or paid.

The entity-wide statements report net assets and how they have changed. Net assets – the difference between the assets and liabilities – are one way to measure the financial health or position. Over time, increases or decreases in the net assets are an indicator of whether financial position is improving or deteriorating, respectively.

In the entity-wide financial statements, the activities are divided into two functions:

- *Primary Government:* The General and Special Revenue activities are included here. Federal, state and local revenues, as well as contracted services, finance both these functions.
- *Component Units:* The government wide-financial statements include not only the Council itself (known as the primary government), but also other legally separate entities, for which the Council is financially accountable. The activities of the Siouxland Regional Transit System (SRTS), Tri-State Graduate Center (TSGC), Northeast Nebraska Joint Housing Agency (NNJHA) and Siouxland Planning and Transit Services LLC (SPTS, LLC) are reported as component units. Federal, state and local revenues, as well as contracted services, finance these functions. Financial information for these four discretely presented component units is reported separately from the financial information presented for the Council itself.

Fund Financial Statements

The fund financial statements provide detailed information focusing on its most significant or "major" funds. Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs. Some funds are required by federal and state law. Other funds are established to control and manage money for particular purposes, such as accounting for projects or to show it is properly using certain revenues, such as federal grants.

There are two kinds of funds:

- *Primary Government funds* account for general services. These focus on how cash and other financial assets readily converted to cash flow in and out and the balances left at year-end available for spending. Consequently, the primary government fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the programs. The primary governmental funds include: 1) the General Fund, and 2) the Special Revenue Fund.

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

- Agency funds are used to account for resources held for the benefit of parties outside of SIMPCO. SIMPCO is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The required financial statement is a Statement of Fiduciary Net Assets.

Reconciliations between the entity-wide financial statements and the fund financial statements follow the fund financial statements.

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Net assets at the end of fiscal 2010 totaled \$1,449,966. The analysis that follows focuses on the net assets.

	Condensed Statement of Net Assets		
	Primary Government	Component Units	Total
	June 30	June 30	June 30
	2010	2010	2010
Current and Other Assets	\$ 715,468	\$ 691,474	\$ 1,406,942
Capital Assets	\$ 134,353	\$ 770,019	\$ 904,372
Total Assets	\$ 849,821	\$ 1,461,493	\$ 2,311,314
Liabilities	\$ 487,629	\$ 373,719	\$ 861,348
Total Liabilities	\$ 487,629	\$ 373,719	\$ 861,348
Net Assets			
Invested in Capital Assets			
Net of Related Debt	\$ 134,353	\$ 600,770	\$ 735,123
Unrestricted	\$ 227,839	\$ 487,004	\$ 714,843
Total Net Assets	\$ 849,821	\$ 1,461,493	\$ 2,311,314

The combined net assets increased by 5%, or \$68,523, from fiscal 2009. The Primary Government net assets decreased by \$2,950 while the Component Unit net assets increased by \$71,473.

The following analysis details the changes in net assets.

	Changes in Net Assets		
	Primary Government	Component Units	Total
	Year ended June 30 2010	Year ended June 30 2010	Year ended June 30 2010
Revenues			
Program Revenues			
Charges for Service	\$ 400,968	\$ 1,346,536	\$ 1,747,504
Operating Grants and Contributions	\$ 568,982	\$ 1,424,524	\$ 1,993,506
Interest Income	\$ 356	\$ 1,111	\$ 1,467
Miscellaneous Income	\$ 9,086	\$ 80,902	\$ 89,988
Total Revenues	\$ 979,392	\$ 2,853,073	\$ 3,832,465
Expenses	\$ 982,342	\$ 2,781,600	\$ 3,763,942
Total Expenses	\$ 982,342	\$ 2,781,600	\$ 3,763,942
Change in Net Assets	\$ (2,950)	\$ 71,473	\$ 68,523
Net Assets Beginning of Year	\$ 365,142	\$ 1,016,301	\$ 1,381,443
Net Assets End of Year	\$ 362,192	\$ 1,087,774	\$ 1,449,966

Operating grants and contributions from local, state and federal sources account for 52%, while charges for service account for 46% of the total revenue. The expenditures primarily relate to personnel, vehicle insurance, equipment and maintenance related and contract payment and services related which account for 88% of the total expenditures.

Primary Government Activities

Revenues for Primary Governmental activities were \$979,392 and expenditures were \$982,342. The net assets decreased by \$2,950 to \$362,192 for fiscal 2010.

Component Unit Activities

Revenues of the Component Unit activities were \$2,853,073 and expenditures were \$2,781,600. The net assets increased by \$71,473 to \$1,087,774 for fiscal 2010.

INDIVIDUAL FUND ANALYSIS

As previously noted, SIMPCO uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Primary Governmental Fund Highlights

- General Fund revenues decreased from \$136,836 in fiscal 2009 to \$116,684 in fiscal 2010, and General Fund expenditures increased from \$102,192 in fiscal 2009 to \$131,590 in fiscal 2010. The transfers from the General Fund to the Special Revenue Fund were \$3,733 in fiscal 2009 while transfers of \$4,713 were made from the General Fund to the Special Revenue Fund in fiscal 2010. The result is a decrease in the General Fund balance from \$238,174 for fiscal 2009 to \$218,555 for fiscal 2010.
- The decrease in General Fund revenues was attributable to a decrease in budgeted membership dues in fiscal 2010. The increase in expenditures was due to the purchase of equipment in fiscal 2010. The result is that the Council had a decrease in the General Fund balance.
- Special Revenue Fund revenues increased from \$791,027 in fiscal 2009 to \$912,935 in fiscal 2010, and Special Revenue Fund expenditures increased from \$812,290 in fiscal 2009 to \$869,876 in fiscal 2010. The Special Revenue Fund had a negative balance of \$21,263 in fiscal 2009 and a positive balance of \$43,059 in fiscal 2010. Since these funds are unrestricted, the General Fund transfers in \$4,713 to the Special Revenue Fund in fiscal 2010. The beginning of year negative fund balance of \$38,488 plus the total fiscal year balance of \$47,772 leaves a end of year positive balance of \$9,284 which consists of \$4,435 for the Sergeant Floyd Honor Guard and \$4,849 in housing rehabilitation funds in fiscal 2010.
- The increase in Special Revenue Fund revenues was attributable to an increase in federal and state grant revenue, and budgeted membership dues. The increase in expenditures was attributable to an increase in personnel costs to provide these services. The result is that the Council had an increase in the Special Revenue Fund balance for fiscal 2010.

Component Unit Highlights

- Component Unit revenues decreased from \$2,896,811 in fiscal 2009 to \$2,853,073 in fiscal 2010, and the Component Unit expenditures increased from \$2,641,723 in fiscal 2009 to \$2,781,600 in fiscal 2010. The result is an increase in the Component Unit Fund balance from \$1,016,301 in fiscal 2009 to \$1,087,774 in fiscal 2010.
- The decrease in the Component Unit Fund revenues was attributable to a decrease in federal and state revenues. The increase in expenditures was attributable to an increase in personnel costs to provide these services. The Component Unit balance increased because the revenues exceeded the cost to provide component unit services in fiscal 2010.

CAPITAL ASSETS

At June 30, 2010, capital assets totaled \$904,372 net of accumulated depreciation, in a broad range of capital assets including a building, computers, office equipment, vehicles and vehicle radios.

The depreciation expense was \$234,351 in fiscal 2010 and total accumulated depreciation is \$2,248,006 at June 30, 2010. More detailed information about capital assets is available in Note 4 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the Council was unaware of existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Council's citizens, taxpayers, customers, members and creditors with a general overview of the Council's finances and to demonstrate the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: SIMPCO, PO Box 1077, Sioux City, Iowa, 51102-1077 or email: simpco@simpco.org.

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Primary Government			Component Units	Total Reporting Entity
	General Activities	Special Revenue Activities	Total Government Activities		
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 424,860		\$ 424,860	\$ 526,928	\$ 951,788
Accounts Receivable	2,196	\$ 110,479	112,675	126,241	238,916
Due To/From Component Units	56,597		56,597	(56,597)	
Due from Other Governments:					
Federal		93,135	93,135	30,592	123,727
State				2,681	2,681
Local				61,629	61,629
Prepaid Expenses	28,201		28,201		28,201
Total Current Assets	\$ 511,854	\$ 203,614	\$ 715,468	\$ 691,474	\$ 1,406,942
Non-Current Assets:					
Capital Assets - Net of Accumulated					
Depreciation - Note 4	\$ 133,654	\$ 699	\$ 134,353	\$ 770,019	\$ 904,372
Total Non-Current Assets	\$ 133,654	\$ 699	\$ 134,353	\$ 770,019	\$ 904,372
Total Assets	\$ 645,508	\$ 204,313	\$ 849,821	\$ 1,461,493	\$ 2,311,314
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 17,018	\$ 6,210	\$ 23,228	\$ 95,126	\$ 118,354
Accounts Payable - Agency Funds	47,043		47,043		47,043
Due to Other Governments:					
Local				23,375	23,375
Tenant Escrow				17,036	17,036
Accrued Wages and Benefits	289,561	10,538	300,099	48,094	348,193
Accrued Vacation	53,601		53,601	16,128	69,729
Deferred Revenue	44,850	18,808	63,658	4,711	68,369
Loan Payable - Note 5				15,636	15,636
Total Current Liabilities	\$ 452,073	\$ 35,556	\$ 487,629	\$ 220,106	\$ 707,735
Non-Current Liabilities:					
Loan Payable - Note 5				\$ 153,613	\$ 153,613
Total Non-Current Liabilities	-	-	-	\$ 153,613	\$ 153,613
Total Liabilities	\$ 452,073	\$ 35,556	\$ 487,629	\$ 373,719	\$ 861,348
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	\$ 133,654	\$ 699	\$ 134,353	\$ 600,770	\$ 735,123
Unrestricted	59,781	168,058	227,839	487,004	714,843
Total Net Assets	\$ 193,435	\$ 168,757	\$ 362,192	\$ 1,087,774	\$ 1,449,966

See Accompanying Notes to Financial Statements

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	
				Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
General Functions	\$ 112,261	\$ 114,716		\$ 2,455	
Special Revenue Functions	870,081	286,252	\$ 568,982	(14,847)	
Total Governmental Activities	\$ 982,342	\$ 400,968	\$ 568,982	\$ (12,392)	
Total Primary Government	\$ 982,342	\$ 400,968	\$ 568,982	\$ (12,392)	
Components Units	\$ 2,781,600	\$ 1,346,536	\$ 1,424,524		\$ (10,540)
GENERAL REVENUES					
				\$ 356	\$ 1,111
				9,086	80,902
				\$ 9,442	\$ 82,013
				\$ (2,950)	\$ 71,473
				\$ 365,142	\$ 1,016,301
				\$ 362,192	\$ 1,087,774

See Accompanying Notes to Financial Statements

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2010

	General Fund	Special Revenue Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 424,860		\$ 424,860
Accounts Receivable	2,196	\$ 110,479	112,675
Due from Other Funds	245,620	10,761	256,381
Due from Other Governments:			
Federal		93,135	93,135
Prepaid Expenditures	28,201		28,201
Total Assets	\$ 700,877	\$ 214,375	\$ 915,252
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	\$ 17,018	\$ 6,210	\$ 23,228
Due to Other Funds	77,292	169,535	246,827
Accrued Wages and Benefits	289,561	10,538	300,099
Accrued Vacation	53,601		53,601
Deferred Revenue	44,850	18,808	63,658
Total Liabilities	\$ 482,322	\$ 205,091	\$ 687,413
Fund Balance:			
Reserve for Prepaid Expenditures	\$ 28,201		\$ 28,201
Unreserved	190,354	\$ 9,284	199,638
Total Fund Balance	\$ 218,555	\$ 9,284	\$ 227,839
Total Liabilities and Fund Balance	\$ 700,877	\$ 214,375	\$ 915,252

See Accompanying Notes to Financial Statements

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

EXHIBIT D

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

JUNE 30, 2010

Total Fund Balance per Balance Sheet - Governmental Funds	\$ 227,839
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. The cost of assets is \$391,528 and the accumulated depreciation is \$257,175	134,353
	<hr/>
Total Net Assets per Statement of Net Assets	<u>\$ 362,192</u>

See Accompanying Notes to Financial Statements

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUE			
Federal and State Grants		\$ 568,982	\$ 568,982
Membership Dues	\$ 5,606	157,819	163,425
Support Assessments		64,866	64,866
Contract Services Income	101,642	121,262	222,904
Interest Income	350	6	356
Miscellaneous Income	9,086		9,086
Total Revenues	<u>\$ 116,684</u>	<u>\$ 912,935</u>	<u>\$ 1,029,619</u>
EXPENDITURES			
Salaries and Benefits		\$ 457,703	\$ 457,703
Rent			
Travel and Training	\$ 2,003	46,158	48,161
Communications		108	108
Supplies		12,672	12,672
Dues and Subscriptions		1,296	1,296
Professional Fees			
Purchased Services	35	11,950	11,985
Equipment and Maintenance	22,748		22,748
Contractual Payments		62,518	62,518
Advertising	3,850	786	4,636
Indirect/Administrative	101,642	276,685	378,327
Miscellaneous	1,312		1,312
Total Expenditures	<u>\$ 131,590</u>	<u>\$ 869,876</u>	<u>\$ 1,001,466</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>\$ (14,906)</u>	<u>\$ 43,059</u>	<u>\$ 28,153</u>
TRANSFERS IN (OUT)	<u>(4,713)</u>	<u>4,713</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (19,619)</u>	<u>\$ 47,772</u>	<u>\$ 28,153</u>
Fund Balance - Beginning of Year	<u>\$ 238,174</u>	<u>\$ (38,488)</u>	<u>\$ 199,686</u>
Fund Balance - End of Year	<u>\$ 218,555</u>	<u>\$ 9,284</u>	<u>\$ 227,839</u>

See Accompanying Notes to Financial Statements

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net Change in Fund Balances - Total Governmental Funds	\$ 28,153
Amounts reported for governmental activities in the statement of net assets are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period (\$53,422) exceeded depreciation (\$25,598).	27,824
In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the disposal of fixed assets is not reflected.	(8,700)
Receivables listed on the fund financial statement differ from those listed on the government wide statements in that the fund financial statements require the amounts to be "available"	(50,227)
Change in Net Assets of Governmental Activities	<u>\$ (2,950)</u>

See Accompanying Notes to Financial Statements

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2010

	Cardinal Development Inc.	Deferred Compensation	Siouxland Economic Development Corporation	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	\$ 16,821			\$ 16,821
Due from Other Governments:				
Local			\$ 47,043	47,043
Loan Receivable	2,699			2,699
Investment in Annuity - Note 3		\$ 23,924		23,924
Total Assets	<u>\$ 19,520</u>	<u>\$ 23,924</u>	<u>\$ 47,043</u>	<u>\$ 90,487</u>
LIABILITIES				
Accounts Payable			\$ 599	\$ 599
Due to State Governments	\$ 19,520			19,520
Accrued Wages and Benefits			11,166	11,166
Accrued Vacation			35,278	35,278
Deferred Compensation - Note 3		\$ 23,924		23,924
Total Liabilities	<u>\$ 19,520</u>	<u>\$ 23,924</u>	<u>\$ 47,043</u>	<u>\$ 90,487</u>

See Accompanying Notes to Financial Statements

STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2010

	Siouxland Regional Transit System	Siouxland Planning and Transit Services	Tri- State Graduate Center	Northeast Nebraska Joint Housing Agency	Total Component Units
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 281,971		\$ 50,944	\$ 194,013	\$ 526,928
Accounts Receivable	126,241				126,241
Due from Other Funds	19,488				19,488
Due from Other Governments:					
Federal	30,592				30,592
State	2,681				2,681
Local	61,629				61,629
Total Current Assets	\$ 522,602	\$ -	\$ 50,944	\$ 194,013	\$ 767,559
Non-Current Assets:					
Capital Assets - Net of Accumulated					
Depreciation - Note 4	\$ 413,337	\$ 355,063	\$ 1,619		\$ 770,019
Total Non-Current Assets	\$ 413,337	\$ 355,063	\$ 1,619	\$ -	\$ 770,019
Total Assets	\$ 935,939	\$ 355,063	\$ 52,563	\$ 194,013	\$ 1,537,578
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 94,989		\$ 136	\$ 1	\$ 95,126
Due to Other Funds			22,749	53,336	76,085
Due to Other Governments:					
Local	23,375				23,375
Tenant Escrow				17,036	17,036
Accrued Wages and Benefits	37,520		10,106	468	48,094
Accrued Vacation	12,696		3,432		16,128
Deferred Revenue	2,711		2,000		4,711
Loan Payable - Note 5		\$ 15,636			15,636
Total Current Liabilities	\$ 171,291	\$ 15,636	\$ 38,423	\$ 70,841	\$ 296,191
Non-Current Liabilities:					
Loan Payable - Note 5		\$ 153,613			\$ 153,613
Total Non-Current Liabilities	\$ -	\$ 153,613	\$ -	\$ -	\$ 153,613
Total Liabilities	\$ 171,291	\$ 169,249	\$ 38,423	\$ 70,841	\$ 449,804
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	\$ 413,337	\$ 185,814	\$ 1,619		\$ 600,770
Unrestricted	351,311		12,521	\$ 123,172	487,004
Total Net Assets	\$ 764,648	\$ 185,814	\$ 14,140	\$ 123,172	\$ 1,087,774

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
DISCRETELY PRESENTED COMPONENT UNIT

FOR THE YEAR ENDED JUNE 30, 2010

	Siouxland Regional Transit System			Total Siouxland Regional Transit System	Siouxland Planning and Transit Services
	Operation	South Dakota Service	Capital		
REVENUE					
Federal and State Grants	\$ 760,870	\$ 42,066	\$ 178,727	\$ 981,663	
Support Assessments	33,760	17,000	90,041	140,801	
Contract Services Income	1,187,670	11,065		1,198,735	
Interest Income	100			100	
Miscellaneous Income	2,390	5,625	4,500	12,515	\$ 59,394
Total Revenue	\$ 1,984,790	\$ 75,756	\$ 273,268	\$ 2,333,814	\$ 59,394
EXPENDITURES					
Salaries and Benefits	\$ 1,072,340	\$ 51,075		\$ 1,123,415	
Rent	22,169	2,794		24,963	
Travel and Training	6,208			6,208	
Communications	5,213	269		5,482	
Supplies	10,187	26		10,213	
Insurance	194,425	6,980		201,405	
Dues and Subscriptions	2,991			2,991	
Professional Fees	1,247			1,247	
Purchased Services	10,386		\$ 405	10,791	
Equipment and Maintenance	533,154	13,205	(2,027)	544,332	
Debt Service - Interest					\$ 13,819
Contractual Payments	75,188			75,188	
Advertising	2,494	1,303		3,797	
Depreciation			198,465	198,465	9,513
Indirect/Administrative	70,776			70,776	
Utilities	4,305			4,305	
Miscellaneous	7,308	104		7,412	
Total Expenses	\$ 2,018,391	\$ 75,756	\$ 196,843	\$ 2,290,990	\$ 23,332
Change in net assets	\$ (33,601)	-	\$ 76,425	\$ 42,824	\$ 36,062
Net Assets, Beginning of Year	\$ 236,902	-	\$ 484,922	\$ 721,824	\$ 149,752
Net Assets, End of Year	\$ 203,301	-	\$ 561,347	\$ 764,648	\$ 185,814

See Accompanying Notes to Financial Statements

Tri-State Graduate Center				Northeast Nebraska Joint Housing Agency				Total NE Nebraska Joint Housing Agency	Total Component Units
Iowa Graduate Center	Nebraska Graduate Center	South Dakota Graduate Center	Total Tri-State Graduate Center	Northeast Nebraska Housing	NE Nebraska Housing - FSS Coordinator	NE Nebraska Housing - FSS Home Coordinator			
\$ 69,110	\$ 40,473	\$ 7,097	\$ 116,680	\$ 289,027	\$ 20,173	\$ 16,981	\$ 326,181	\$ 1,424,524	
4,000	2,000	1,000	7,000					147,801	
								1,198,735	
510	296	56	862	149			149	1,111	
141	82	16	239	8,754			8,754	80,902	
<u>\$ 73,761</u>	<u>\$ 42,851</u>	<u>\$ 8,169</u>	<u>\$ 124,781</u>	<u>\$ 297,930</u>	<u>\$ 20,173</u>	<u>\$ 16,981</u>	<u>\$ 335,084</u>	<u>\$ 2,853,073</u>	
\$ 68,564	\$ 44,452	\$ 7,669	\$ 120,685	\$ 21,196	\$ 42,654	\$ 18,185	\$ 82,035	\$ 1,326,135	
2,045	1,326	229	3,600					28,563	
791	512	88	1,391	1,742			1,742	9,341	
430	278	48	756	543			543	6,781	
290	188	33	511	1,478			1,478	12,202	
284	184	32	500					201,905	
455	80	125	660	782			782	4,433	
				3,350			3,350	4,597	
								10,791	
								544,332	
								13,819	
				231,631			231,631	306,819	
509	330	57	896	78			78	4,771	
775			775					208,753	
3,730	2,418	417	6,565	9,300			9,300	86,641	
								4,305	
								7,412	
<u>\$ 77,873</u>	<u>\$ 49,768</u>	<u>\$ 8,698</u>	<u>\$ 136,339</u>	<u>\$ 270,100</u>	<u>\$ 42,654</u>	<u>\$ 18,185</u>	<u>\$ 330,939</u>	<u>\$ 2,781,600</u>	
<u>\$ (4,112)</u>	<u>\$ (6,917)</u>	<u>\$ (529)</u>	<u>\$ (11,558)</u>	<u>\$ 27,830</u>	<u>\$ (22,481)</u>	<u>\$ (1,204)</u>	<u>\$ 4,145</u>	<u>\$ 71,473</u>	
<u>\$ 18,252</u>	<u>\$ 6,917</u>	<u>\$ 529</u>	<u>\$ 25,698</u>	<u>\$ 118,092</u>	<u>\$ (1,725)</u>	<u>\$ 2,626</u>	<u>\$ 119,027</u>	<u>\$ 1,016,301</u>	
<u>\$ 14,140</u>	<u>-</u>	<u>-</u>	<u>\$ 14,140</u>	<u>\$ 145,922</u>	<u>\$ (24,206)</u>	<u>\$ 1,422</u>	<u>\$ 123,172</u>	<u>\$ 1,087,774</u>	

See Accompanying Notes to Financial Statements

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Siouland Interstate Metropolitan Planning Council (The Council or SIMPCO) was organized in 1965 to provide planning activities for member governmental bodies. The Council currently has 52 voluntary member governments from Iowa, Nebraska and South Dakota.

A. Reporting Entity

For financial reporting purposes, the Council has included all funds, organizations, account groups, agencies, boards, commissions and authorities. The Council has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the Council's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Agency to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the Agency. The Council has four component units which meet the Governmental Accounting Standards Board criteria.

Component Units - The Siouland Regional Transit System (SRTS) was organized to improve and coordinate transportation services in Cherokee, Ida, Monona, Plymouth and Woodbury counties in Iowa. The Tri-State Graduate Center (TSGC) was organized to facilitate the delivery of graduate education to Siouland residents through the colleges and universities in Iowa, Nebraska and South Dakota. The Northeast Nebraska Joint Housing Agency (NENJHA) administers the housing voucher program for residents in rural Dakota, Dixon, and Wayne Counties in Nebraska. Siouland Planning and Transit Services, L.L.C. (SPATS), holds the Council's office building property. All entities are discretely presented in these financial statements and their separate financial statements are included.

B. Basis of Presentation

The Council follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the FASB. The FASB sets generally accepted accounting principles (GAAP) that the company follows to ensure we consistently report our financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

Entity-Wide Financial Statements and Component Units - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents the Council's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) B. Basis of Presentation (Cont.)

Invested in Capital Assets, Net of Related Debt - Capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets subject to constraints on net asset use that are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - Net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

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

Fund Accounting - The accounts of the Council are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues or receipts, and expenditures or expenses, as appropriate. Resources are allocated to, and accounted for, in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund Financial Statements - The various funds and their designated purposes are as follows:

General Fund - The General Fund is the general operating fund of the Council. It accounts for all financial resources of SIMPCO that are not required to be accounted for in the special revenue funds. The general operating expenditures and fixed charges that are not paid from other funds are paid from the general fund.

Special Revenue Funds - The Special Revenue Funds are used to account for revenues derived from specific sources which are usually required by law or regulation to be accounted for in separate funds.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

B. Basis of Presentation (Cont.)

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

C. Measurement Focus and Basis of Accounting

The entity-wide and component unit financial statements are reported using the economic resources 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. Membership dues and local assessments are recognized as revenue in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Under terms of grant agreements, the Council funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Council's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by general revenues.

The Council maintains its financial records on the cash basis. The financial statements of the Council are prepared by making memorandum adjusting entries to the cash basis financial records.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) D. Assets, Liabilities and Net Assets

Accounts Receivable - Trade credit is generally extended to Council members and clients on a short-term basis. These receivables do not bear interest, although a finance charge may be applied to balances more than thirty days past due. Individual accounts receivable are periodically evaluated for collectibility based on past credit history and their current financial condition. All significant receivables of the Council are considered collectible at June 30, 2010. Therefore, no allowance for doubtful accounts is recorded.

Due From Other Governments - Accounts receivable from Federal, state and local governments represent the earned portion of grant contracts between the Council and various government agencies. The funds received under these contracts are normally restricted to cover only specified expenditures under the programs described in the grant contract.

Capital Assets - Capital assets, which include vehicles, electronics, and office furniture, are reported in the applicable activities column of the Statement of Net Assets. Capital assets are recorded at historical cost if purchased. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are not capitalized. Capital assets of the Council are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	40 Years
Vehicles	5 Years
Electronic Equipment	5 Years
Office Furniture	7 Years

Compensated Absences - A total of 30 days vacation may be accumulated by each employee. The Council has accrued a liability of \$69,729 at June 30, 2010, for vacation pay which has been earned but not taken by the Council employees. The liability has been computed based on rates of pay in effect at June 30, 2010.

E. Membership Dues and Local Assessments

Dues and assessments are collected from Council members to fund administrative costs not allocable to special revenue funds and also to honor Federal grant contracts requiring local matching funds. The portion of dues and assessments used for matching purposes are reported as revenue of the related special revenue fund.

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.)

F. Estimates

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

G. Allocation of Indirect Costs

Costs which cannot be specifically identified with a particular program are allocated to all programs having current activity on the basis of direct labor hours.

Note 2 - DEPOSITS

The Council's deposits in banks at June 30, 2010, were entirely covered by Federal Depository Insurance or by a multiple financial institution collateral pool, 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.

Note 3 - INVESTMENT IN ANNUITY

The Council and a former Executive Director entered into an agreement on December 8, 1988, in which the Director agreed to retire at age 65, in exchange for an annuity. The net surrender value of the annuity at June 30, 2010, is \$23,924. The former Executive Director currently receives monthly installments of \$571 from the annuity contract. The assets are solely the property of SIMPCO, subject only to the claims of SIMPCO's general creditors. The related asset and liability are shown in the deferred compensation agency fund in Exhibit G.

Note 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2010, is as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Primary Government				
Government Activities:				
Capital Assets:				
General Activities Equipment	\$ 369,879	\$ 53,422	\$ 45,069	\$ 378,232
Office Equipment - MPO/RPA	<u>13,296</u>	<u> </u>	<u> </u>	<u>13,296</u>
Total Capital Assets	\$ 383,175	\$ 53,422	\$ 45,069	\$ 391,528

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 4 - CAPITAL ASSETS
(Cont.)

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Less Accumulated Depreciation:				
General Activities Equipment	\$ 255,554	\$ 25,393	\$ 36,369	\$ 244,578
Office Equipment - MPO/RPA	<u>12,392</u>	<u>205</u>	<u> </u>	<u>12,597</u>
Total Accumulated Depreciation	\$ 267,946	\$ 25,598	\$ 36,369	\$ 257,175
Governmental Activities, Capital Assets, Net	\$ <u>115,229</u>	\$ <u>27,824</u>	\$ <u>8,700</u>	\$ <u>134,353</u>

MPO/RPA is the Metropolitan Planning Organization and Regional Planning Association.

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:	
General Functions	\$ 25,393
Special Revenue Functions	<u>205</u>
Total Depreciation Expense - Governmental Activities	\$ <u>25,598</u>

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>
Discretely Presented Component Units				
Capital Assets:				
Building - SPATS	\$ 380,499			\$ 380,499
Office Equipment - TSGC	44,148			44,148
Equipment - SRTS	2,414,586	\$ 182,450	\$ 267,073	2,329,963
Housing Equipment - NENJHA	<u>6,240</u>	<u> </u>	<u> </u>	<u>6,240</u>
Total Capital Assets	\$ 2,845,473	\$ 182,450	\$ 267,073	\$ 2,760,850
Less Accumulated Depreciation:				
Building - SPATS	\$ 15,923	\$ 9,513		\$ 25,436
Office Equipment - TSGC	41,754	775		42,529
Equipment - SRTS	1,985,234	198,465	\$ 267,073	1,916,626
Housing Equipment - NENJHA	<u>6,240</u>	<u> </u>	<u> </u>	<u>6,240</u>
Total Accumulated Depreciation	\$ <u>2,049,151</u>	\$ <u>208,753</u>	\$ <u>267,073</u>	\$ <u>1,990,831</u>
Discretely Presented Component Units Capital Assets, Net	\$ <u>796,322</u>	\$ (<u>26,303</u>)	<u> </u>	\$ <u>770,019</u>
Total Depreciation Expense - Discretely Presented Component Units				\$ <u>208,753</u>

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 5 - LONG-TERM LIABILITIES

The summary of changes in long-term liabilities for the year ended June 30, 2010, is as follows:

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Discretely Presented Component Unit - SPATS	\$ <u>214,824</u>	<u>-</u>	\$ <u>45,575</u>	\$ <u>169,249</u>	\$ <u>15,636</u>
Total	\$ <u>214,824</u>	<u>-</u>	\$ <u>45,575</u>	\$ <u>169,249</u>	\$ <u>15,636</u>

The bank note payable, totaling \$169,249, is outstanding at June 30, 2010. This note bears interest at a rate of 7.25% per annum, with the final maturity due in the year ending June 30, 2019. It is the Council's intent, however, to fully retire the debt in a shorter time frame. The note is secured by real estate and is payable by Siouxland Planning and Transit Services, LLC (SPATS).

Required principal and interest payments are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 15,636	\$ 11,758	\$ 27,394
2012	16,808	10,586	27,394
2013	18,068	9,326	27,394
2014	19,423	7,971	27,394
2015	20,878	6,516	27,394
2016 - 2019	<u>78,436</u>	<u>9,745</u>	<u>88,181</u>
	\$ <u>169,249</u>	\$ <u>55,902</u>	\$ <u>225,151</u>

Note 6 - EMPLOYEE BENEFITS

Retirement Benefits - In 1975, the Council began a qualified contributory money purchase pension plan with the International City Management Association Retirement Corporation (ICMARC). All employees who meet the minimum service and age requirements are eligible to participate in the pension plan. Each participant is required to contribute five percent of his or her compensation, and the Council contributes six percent. Participants may voluntarily contribute up to an additional ten percent of their compensation. The Council is not required to match employee voluntary contributions. Amounts for the year ended June 30, 2010, are as follows:

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 6 - EMPLOYEE BENEFITS
(Cont.)

Employee Contributions	\$ 37,875
Employer Contributions	\$ 45,450

All contributions due to the pension plan have been made, as of June 30, 2010. The plan provides quarterly and stand-alone annual financial statements to participants.

Deferred Compensation - The Council offers its administrative employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). The plan, available to all Council employees, permits them to defer a portion of their salary until future years. Employee contributions for the year ended June 30, 2010, were \$13,448.

Partially Self-Insured Health Insurance Plan - The Council participates in a partially self-funded health insurance plan for Council employees. Premiums are paid to the Council's medical insurance carrier and claims are handled by the carrier. The Council's maximum fund exposure for this plan is \$263,500. At June 30, 2010, an accrued liability of \$132,716 was included in accrued wages and benefits.

Unemployment Insurance and Termination Benefits - SIMPCO has elected to be self insured under state unemployment tax laws. Any claims that may arise will be paid by the Council when presented. In addition, the Council's co-executive directors' contracts call for payment of six months' salary upon termination. At June 30, 2010, \$130,920 is included in accrued wages and benefits for these liabilities.

Note 7 - SICK PAY

The Council has elected not to accrue sick leave based on the fact that while sick leave accumulates, it does not vest and an employee has to be absent due to illness for sick leave to be paid. No estimate of the occurrence rate of future employee illness could be made.

Note 8 - RISK MANAGEMENT

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

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010

Note 9 - UNCERTAINTY IN INCOME TAXES

As a special purpose governmental organized under Chapter 28E of the Code of Iowa, the council is exempt from all Federal and State income taxes. The Council reports accrued interest related to unrecognized tax benefits as interest expense and penalties as income tax expense. There are no material uncertain tax positions reported on the Council's financial statements. The Council is no longer subject to examination by the Internal Revenue Service for years prior to the year ending June 30, 2007.

Note 10 - SUBSEQUENT EVENTS

In preparing the financial statements, the Council has evaluated all subsequent events, for potential recognition or disclosure, through December 7, 2010, the date the financial statements were available to be issued.

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

JUNE 30, 2010

	<u>MPO/RPA</u>	<u>Hazmat Services</u>	<u>Other Member Projects</u>	<u>Total Special Revenue</u>
<u>ASSETS</u>				
Accounts Receivable			\$ 110,479	\$ 110,479
Due from Other Funds		\$ 1,477	9,284	10,761
Due from Other Governments:				
Federal	\$ 90,618	2,517		93,135
Total Assets	<u>\$ 90,618</u>	<u>\$ 3,994</u>	<u>\$ 119,763</u>	<u>\$ 214,375</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 530	\$ 2,543	\$ 3,137	\$ 6,210
Due to Other Funds	85,052		84,483	169,535
Accrued Wages and Benefits	5,036		5,502	10,538
Deferred Revenue		1,451	17,357	18,808
Total Liabilities	\$ 90,618	\$ 3,994	\$ 110,479	\$ 205,091
<u>FUND EQUITY</u>				
Fund Balance:				
Unreserved			\$ 9,284	\$ 9,284
Total Fund Equity	-	-	\$ 9,284	\$ 9,284
Total Liabilities and Fund Equity	<u>\$ 90,618</u>	<u>\$ 3,994</u>	<u>\$ 119,763</u>	<u>\$ 214,375</u>

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>MPO/RPA</u>	<u>Hazmat Services</u>	<u>Other Member Projects</u>	<u>Total Special Revenue</u>
<u>REVENUE</u>				
Federal and State Grants	\$ 342,402	\$ 15,580	\$ 211,000	\$ 568,982
Membership Dues	85,226		72,593	157,819
Support Assessments		64,667	199	64,866
Contract Services Income			121,262	121,262
Interest Income			6	6
Total Revenues	<u>\$ 427,628</u>	<u>\$ 80,247</u>	<u>\$ 405,060</u>	<u>\$ 912,935</u>
<u>EXPENDITURES</u>				
Salaries and Benefits	\$ 248,473	\$ 1,358	\$ 207,872	\$ 457,703
Travel and Training	12,215	10,243	23,700	46,158
Communications	78		30	108
Supplies	5,788	94	6,790	12,672
Dues and Subscriptions	433		863	1,296
Purchased Services	2,295	5,000	4,655	11,950
Contractual Payments		62,518		62,518
Advertising	463		323	786
Indirect/Administrative	157,883	1,034	117,768	276,685
Total Expenditures	<u>\$ 427,628</u>	<u>\$ 80,247</u>	<u>\$ 362,001</u>	<u>\$ 869,876</u>
Excess (Deficiency) of Revenue Over Expenditures	-	-	\$ 43,059	\$ 43,059
TRANSFERS IN (OUT)	-	-	4,713	4,713
Net Change in Fund Balance	-	-	\$ 47,772	\$ 47,772
Fund Balance - Beginning of Year	-	-	(38,488)	(38,488)
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>\$ 9,284</u>	<u>\$ 9,284</u>

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

METROPOLITAN AND REGIONAL PLANNING

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Regional Planning Affiliation STP</u>	<u>Regional Planning Affiliation FTA</u>	<u>Iowa Federal Highway Planning</u>
<u>REVENUE</u>			
Federal and State Grants	\$ 60,049	\$ 23,049	\$ 130,958
Membership Dues	<u>15,247</u>	<u>5,791</u>	<u>32,742</u>
Total Revenues	\$ 75,296	\$ 28,840	\$ 163,700
 <u>EXPENDITURES</u>			
Salaries and Benefits	\$ 43,972	\$ 17,261	\$ 92,722
Travel and Training	840	194	7,526
Communications	1		50
Supplies	899	223	2,902
Dues and Subscriptions			433
Purchased Services			2,295
Advertising	121	58	148
Indirect/Administrative	<u>29,463</u>	<u>11,104</u>	<u>57,624</u>
Total Expenditures	\$ 75,296	\$ 28,840	\$ 163,700
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SCHEDULE

Nebraska Federal Highway Planning	So. Dakota Federal Highway Planning	Other Regional Planning Affiliation FTA	Total MPO/RPA
\$ 40,449	\$ 35,905	\$ 51,992	\$ 342,402
<u>11,054</u>	<u>7,943</u>	<u>12,449</u>	<u>85,226</u>
\$ 51,503	\$ 43,848	\$ 64,441	\$ 427,628
\$ 29,450	\$ 26,700	\$ 38,368	\$ 248,473
2,921	177	557	12,215
8	7	12	78
478	471	815	5,788
			433
			2,295
89	42	5	463
<u>18,557</u>	<u>16,451</u>	<u>24,684</u>	<u>157,883</u>
\$ 51,503	\$ 43,848	\$ 64,441	\$ 427,628
-	-	-	-
-	-	-	-
-	-	-	-

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Akron</u>	<u>Anthon</u>	<u>Arthur</u>	<u>Aurelia</u>	<u>Battle Creek</u>	<u>Castana</u>
<u>REVENUE</u>						
Federal and State Grants	\$ 3,557	\$ 827		\$ 213		\$ 852
Membership Dues						
Support Assessments						
Contract Services Income	4,386	1,193	\$ 661	4,290	\$ 839	2,450
Interest Income						
Total Revenues	<u>\$ 7,943</u>	<u>\$ 2,020</u>	<u>\$ 661</u>	<u>\$ 4,503</u>	<u>\$ 839</u>	<u>\$ 3,302</u>
<u>EXPENDITURES</u>						
Salaries and Benefits	\$ 4,047	\$ 805	\$ 199	\$ 1,166	\$ 199	\$ 1,468
Travel and Training	21	253	73	132	62	317
Communications						
Supplies						
Dues and Subscriptions						
Purchased Services						
Advertising						
Indirect/Administrative	3,322	660	154	704	154	1,144
Total Expenditures	<u>\$ 7,390</u>	<u>\$ 1,718</u>	<u>\$ 426</u>	<u>\$ 2,002</u>	<u>\$ 415</u>	<u>\$ 2,929</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ 553</u>	<u>\$ 302</u>	<u>\$ 235</u>	<u>\$ 2,501</u>	<u>\$ 424</u>	<u>\$ 373</u>
TRANSFERS IN (OUT)	<u>(553)</u>	<u>(302)</u>	<u>-</u>	<u>131</u>	<u>10</u>	<u>762</u>
Net Change in Fund Balance	-	-	\$ 235	\$ 2,632	\$ 434	\$ 1,135
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>(235)</u>	<u>(2,632)</u>	<u>(434)</u>	<u>(1,135)</u>
Fund Balance - End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SCHEDULE 4

<u>Cherokee</u>	<u>Cherokee County</u>	<u>Cleghorn</u>	<u>Cushing</u>	<u>Community Development Projects</u>	<u>Dakota City</u>	<u>Dakota County</u>	<u>EDA Admin</u>	<u>EDA Disaster Recovery Coordinator</u>	<u>FHA</u>
				\$ 15,034	\$ (654)		\$ 74,311 57,559	\$ 62,517	
\$ 1,841	\$ 7,500	\$ 3,321	\$ 120		10,951	\$ 5,078			
<u>\$ 1,841</u>	<u>\$ 7,500</u>	<u>\$ 3,321</u>	<u>\$ 120</u>	<u>\$ 15,034</u>	<u>\$ 10,297</u>	<u>\$ 5,078</u>	<u>\$ 131,870</u>	<u>\$ 62,517</u>	<u>-</u>
\$ 67	\$ 519 216	\$ 756		\$ 3 5,209 15 2,635 663	\$ 4,606 46 26 30	\$ 2,834	\$ 89,130 5,317 15 1,768	\$ 33,213 1,999 3	
<u>44</u>	<u>330</u>	<u>484</u>			<u>3,784</u>	<u>2,244</u>	<u>35,640</u>	<u>27,302</u>	
<u>\$ 111</u>	<u>\$ 1,065</u>	<u>\$ 1,240</u>	<u>-</u>	<u>\$ 8,525</u>	<u>\$ 8,492</u>	<u>\$ 5,078</u>	<u>\$ 131,870</u>	<u>\$ 62,517</u>	<u>-</u>
\$ 1,730	\$ 6,435	\$ 2,081	\$ 120	\$ 6,509	\$ 1,805	-	-	-	-
<u>-</u>	<u>235</u>	<u>-</u>	<u>(120)</u>	<u>(8,807)</u>	<u>1,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 1,730	\$ 6,670	\$ 2,081	-	\$ (2,298)	\$ 2,909	-	-	-	-
<u>(1,730)</u>	<u>(6,670)</u>	<u>(2,081)</u>	<u>-</u>	<u>2,298</u>	<u>(2,909)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,849</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 4,849</u>

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Galva</u>	<u>Healthy Iowa</u>	<u>Hinton</u>	<u>Holstein</u>	<u>Ida County</u>	<u>Ida Grove</u>
<u>REVENUE</u>						
Federal and State Grants		\$ 14,000	\$ 146	\$ 500		
Membership Dues						
Support Assessments						
Contract Services Income	\$ 2,288		2,106	3,065	\$ 2,612	\$ 3,880
Interest Income						
Total Revenues	<u>\$ 2,288</u>	<u>\$ 14,000</u>	<u>\$ 2,252</u>	<u>\$ 3,565</u>	<u>\$ 2,612</u>	<u>\$ 3,880</u>
<u>EXPENDITURES</u>						
Salaries and Benefits	\$ 66	\$ 5,080	\$ 213	\$ 498	\$ 135	\$ 812
Travel and Training		1,216	46	111		82
Communications						
Supplies		824				
Dues and Subscriptions						
Purchased Services		4,625				
Advertising						23
Indirect/Administrative	44	3,410	154	429	88	660
Total Expenditures	<u>\$ 110</u>	<u>\$ 15,155</u>	<u>\$ 413</u>	<u>\$ 1,038</u>	<u>\$ 223</u>	<u>\$ 1,577</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ 2,178</u>	<u>\$ (1,155)</u>	<u>\$ 1,839</u>	<u>\$ 2,527</u>	<u>\$ 2,389</u>	<u>\$ 2,303</u>
TRANSFERS IN (OUT)	<u>-</u>	<u>1,155</u>	<u>9</u>	<u>(326)</u>	<u>177</u>	<u>(252)</u>
Net Change in Fund Balance	\$ 2,178	-	\$ 1,848	\$ 2,201	\$ 2,566	\$ 2,051
Fund Balance - Beginning of Year	<u>(2,178)</u>	<u>-</u>	<u>(1,848)</u>	<u>(2,201)</u>	<u>(2,566)</u>	<u>(2,051)</u>
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

OTHER MEMBER PROJECTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Onawa</u>	<u>Pleasant View</u>	<u>Quimby</u>	<u>Rodney</u>	<u>RBOG</u>	<u>Sergeant Bluff</u>
REVENUE						
Federal and State Grants	\$ 1,203				\$ 1,206	
Membership Dues						
Support Assessments						
Contract Services Income	5,637	\$ 2,830	\$ 2,188	\$ 704		\$ 6,546
Interest Income						
Total Revenues	<u>\$ 6,840</u>	<u>\$ 2,830</u>	<u>\$ 2,188</u>	<u>\$ 704</u>	<u>\$ 1,206</u>	<u>\$ 6,546</u>
EXPENDITURES						
Salaries and Benefits	\$ 2,639	\$ 1,196	\$ 68	\$ 221	\$ 292	\$ 3,276
Travel and Training	439	58		44	1,970	81
Communications						
Supplies						1,328
Dues and Subscriptions						
Purchased Services						
Advertising						300
Indirect/Administrative	1,936	968	44	165	242	1,903
Total Expenditures	<u>\$ 5,014</u>	<u>\$ 2,222</u>	<u>\$ 112</u>	<u>\$ 430</u>	<u>\$ 2,504</u>	<u>\$ 6,888</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>\$ 1,826</u>	<u>\$ 608</u>	<u>\$ 2,076</u>	<u>\$ 274</u>	<u>\$ (1,298)</u>	<u>\$ (342)</u>
TRANSFERS IN (OUT)	<u>(386)</u>	<u>(608)</u>	<u>19</u>	<u>-</u>	<u>1,298</u>	<u>342</u>
Net Change in Fund Balance	\$ 1,440	-	\$ 2,095	\$ 274	-	-
Fund Balance - Beginning of Year	<u>(1,440)</u>	<u>-</u>	<u>(2,095)</u>	<u>(274)</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

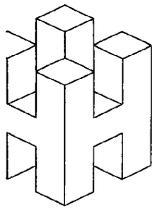
SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL SCHEDULE 5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantors' Number</u>	<u>Federal Disbursements/ Expenditures</u>
Direct:			
<u>DEPARTMENT OF COMMERCE</u>			
Economic Development - Support for Planning Organizations	11.302	05-83-04390-02	\$ 65,840
ARRA - Economic Development - Support for Planning Organizations	11.307	05-69-04686	<u>62,517</u>
Total U.S. Department of Commerce			\$ 128,357
<u>DEPARTMENT OF AGRICULTURE</u>			
Rural Development - Rural Business Opportunity Grant	10.773		\$ 16,793
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Northeast Nebraska Joint Housing Agency: Section 8 Housing Choice Vouchers	14.871	NE180VO	\$ 326,181
Indirect:			
<u>DEPARTMENT OF TRANSPORTATION</u>			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	10-MPO-SIMPCO	\$ 130,958
Highway Planning and Construction	20.205	10RPA-04	60,372
Highway Planning and Construction	20.205	08-SRTS-008	1,929
Highway Planning and Construction	20.205	08-SRTS-007	267
Metropolitan Transportation Planning	20.505	10 MPO-SIMPCO	49,796
Formula Grants for Other than Urbanized Areas	20.509	18-0029-040-10	300,205
Formula Grants for Other than Urbanized Areas	20.509	85-X030-040-08	1,014
Formula Grants for Other than Urbanized Areas	20.509	85-X030-040-09	1,756
Formula Grants for Other than Urbanized Areas	20.509	10 RPA-04	22,726
ARRA - Formula Grants for Other than Urbanized Areas	20.509	06-0001-040-09	58,652
ARRA - Formula Grants for Other than Urbanized Areas	20.509	86-0001-040-09	117,305
Training Fellowships	20.509	TF-2010-Variou	1,032
Interagency Hazardous Materials Public Sector Training and Planning	20.703		<u>15,209</u>
Total Iowa Department of Transportation			\$ 761,221
Other State Department of Transportation:			
Highway Planning and Construction - NE	20.205	SPR-PL-1(47)	\$ 40,449
Highway Planning and Construction - SD	20.205	311081	35,905
Formula Grants for Other than Urbanized Areas	20.509	UM 1810(17)	28,492
Formula Grants for Other than Urbanized Areas	20.509	UM 3684(72)	<u>6,990</u>
Total Other State Department of Transportation			\$ 111,836
Total U. S. Department of Transportation			\$ 873,057
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Iowa Association of Regional Councils:			
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	5880OB01	\$ 4,000
Total Federal Awards			<u>\$ 1,348,388</u>

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Note 1 - BASIS OF PRESENTATION

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the Federal grant activity of Siouxland Interstate Metropolitan Planning Council. It is presented on the modified accrual basis of accounting. For purposes of this report, the expenditures are also presented in accordance with Circular A-133, Audits of State, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



HENJES, CONNER &
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Siouxland Interstate Metropolitan
Planning Council
Sioux City, Iowa

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units and each major fund of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements and have issued our report thereon dated December 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Siouxland Interstate Metropolitan Planning Council'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 an opinion on the effectiveness of the Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting.

A deficiency in internal control 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis.

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

Compliance and Other Matters

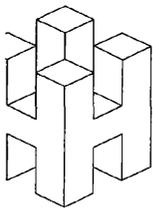
As part of obtaining reasonable assurance about whether Siouxland Interstate Metropolitan Planning Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which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

We noted certain matters that we reported to management of Siouxland Metropolitan Planning Council in a separate letter dated December 7, 2010.

This report is intended solely for the information and use of the executive committee, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Henzler, Conner, + Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
December 7, 2010



HENJES, CONNER &
WILLIAMS, P.C.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Members of the Council
Siouxland Interstate Metropolitan
Planning Council
Sioux City, Iowa

Compliance

We have audited the compliance of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Siouxland Interstate Metropolitan Planning Council's major Federal programs for the year ended June 30, 2010. Siouxland Interstate Metropolitan Planning Council's major Federal programs are identified in the Summary of Auditors' Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major Federal programs is the responsibility of Siouxland Interstate Metropolitan Planning Council's management. Our responsibility is to express an opinion on Siouxland Interstate Metropolitan Planning Council'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 Siouxland Interstate Metropolitan Planning Council's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Siouxland Interstate Metropolitan Planning Council's compliance with those requirements.

In our opinion, Siouxland Interstate Metropolitan Planning Council complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Siouxland Interstate Metropolitan Planning Council 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 Siouxland Interstate Metropolitan Planning Council'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 Siouxland Interstate Metropolitan Planning Council's internal control over compliance.

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

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

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

This report is intended solely for the information and use of the executive committee, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

Sioux City, Iowa
December 7, 2010

SIouxLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2010

Part II: FINDINGS RELATED TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

None Reported

Part III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Reported

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS

YEAR ENDED JUNE 30, 2010

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title Phone Number</u>	<u>Anticipated Date of Completion</u>
---------------------------	----------------------	-----------------------------------	---	---

There were no instances of noncompliance or reportable conditions relating to Federal Awards reported
Thus, no corrective actions need to be taken.

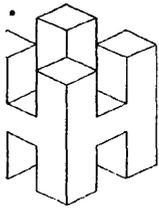
SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

YEAR ENDED JUNE 30, 2010

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>If not Corrected, Provide Planned Corrective Action or Other Explanation</u>
--------------------------	----------------------	---------------	---

No instances of noncompliance or reportable conditions relating to Federal awards were reported in the prior year.



**HENJES, CONNER &
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Council of Governors
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL, for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 17, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2010. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include:

- Depreciation of Property and Equipment
- Allocation of Functional Expenses
- Partially Self-Insured Health Insurance Liability
- Self Insured Unemployment Insurance Liability
- Termination Benefit Liability
- Accrued Vacation

These estimates are normal and recurring. These estimates were determined on a basis consistent with those used in the prior year.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We have evaluated the disclosures in the financial statements and they are neutral, consistent, and clear in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedules summarize uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 7, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Payroll - While reviewing payroll transactions we noted a number of I-9's were not properly filled out. Incomplete items included missing dates of birth, employee's signature, date of signature, the date the employee's driver's license and social security card were inspected, and the name and title of the person who verified the required documentation. Incomplete I-9's can incur a penalty from the Department of Labor should they be audited. We recommend all I-9's be inspected and updated accordingly.

Receivables - While reviewing receivables we noted a number of invoices that were sent to other agencies for work performed months prior to the invoice date. We recommend timely invoicing to reduce the likelihood of missing a billing and to improve the aging of receivables for work performed.

NENJA - While testing Northeast Nebraska Joint Housing Agency (NENJHA) we noted that the application for the FSS Coordinator position was filed late resulting in a loss of revenue for the 2010 calendar year. The failure to apply in a timely fashion for this grant appears to have been a result of poor communication and from the lack of response to an e-mail from the department of HUD. We recommend timely responses to e-mail and to apply for future grants before the due date. We also recommend NENJHA reapply for the grant for the 2011 calendar year.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Council of Governors and management of Siouxland Interstate Metropolitan Planning Council and is not intended to be and should not be used by anyone other than these specified parties.

Henje, Conner, & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
December 7, 2010