

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

Independent Auditors' Report
Financial Statements and Supplementary Data
Reports on Compliance and Internal Controls
Schedule of Findings and Questioned Costs

June 30, 2010

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Contents

	<u>Exhibit/ Schedule</u>	<u>Page</u>
Introductory:		
Revenues By Funding Source		1
Revenues By Program.....		2
Expenditures By Function		3
Expenditures By Program.....		4
Independent Auditors' Report.		5-6
Financial Statements:		
Combined Statement of Financial Position – All Funds	A	7
Combined Statement of Activities – All Funds.....	B	8
Combined Statement of Functional Expenditures – All Funds	C	9
Statement of Cash Flows.....	D	10
Notes to Financial Statements		11-20
Supplementary Data:		
Schedule of Expenditures of Federal Awards	1	21-22
Combining Schedule of Financial Position – Program Funds.....	2	23-26
Combining Schedule of Activities – Program Funds	3	27-32
Schedules of Revenues and Expenses Compared to Budget:		
Housing Stabilization Unit:		
DOE – DOE-09-15L	4	33
DOE-ARRA – DOE-ARRA-09-15L.....	5	34
HEAP – HEAP-09-15L and HEAP-10-15L.....	6	35
MEC – MEC-09-15L and MEC-10-15L	7	36
IPS – IPL-09-15L and IPL-10-15L	8	37
Low Income Home Energy Assistance Program – LIHEAP-09-15-L and LIHEAP-10-15-L	9	38
Child Development Division:		
Department of Health and Human Services – Head Start – 07CH6142/43.	10	39
Department of Health and Human Services – Head Start – 07CH6142/44	11	40
Child and Adult Care Food Program – Day Care Homes – 90-8017	12	41
Child and Adult Care Food Program – Day Care Homes – 90-8017	13	42

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Contents (Continued)

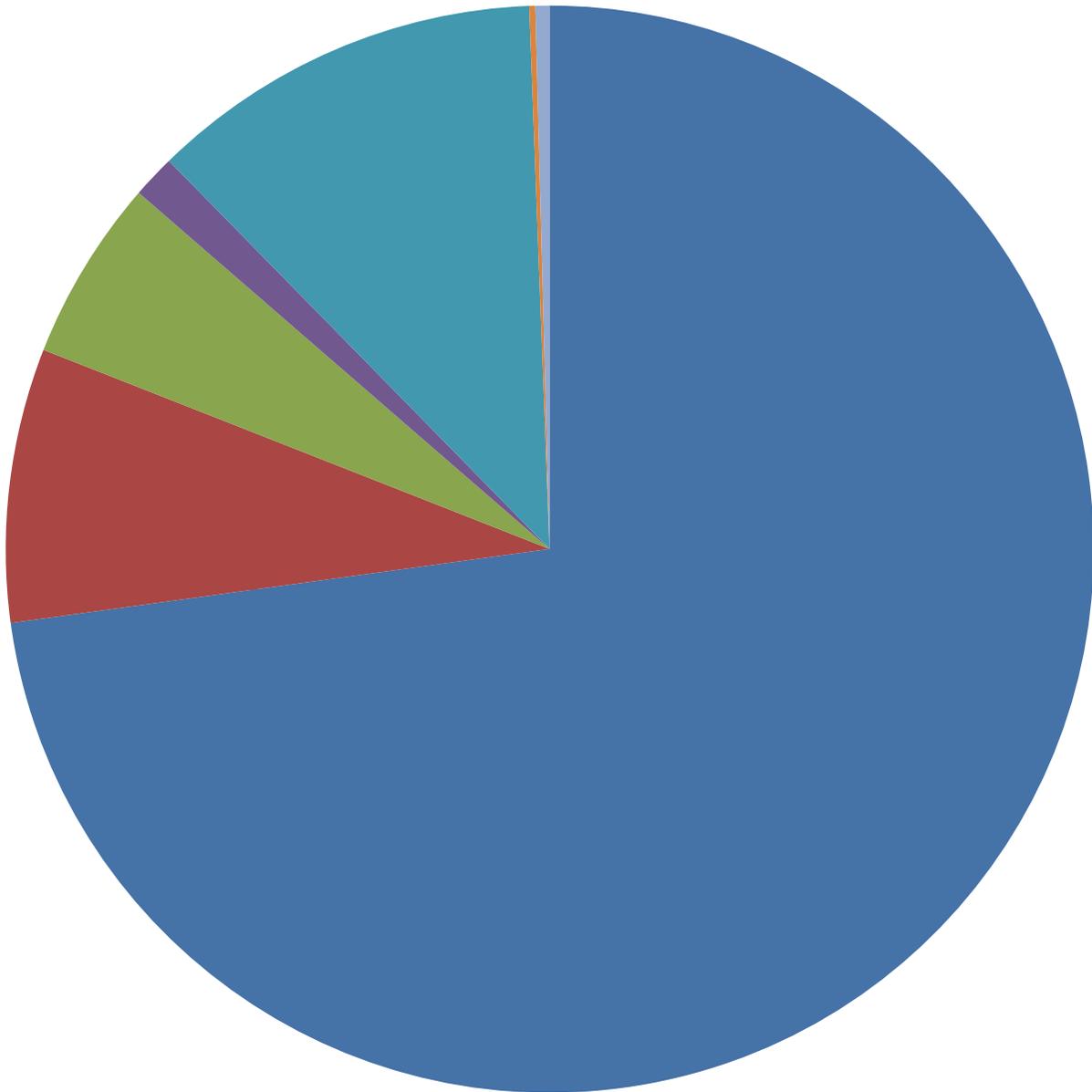
	<u>Exhibit/ Schedule</u>	<u>Page</u>
Supplementary Data (continued):		
Schedules of Revenues and Expenses Compared to Budget:		
Drug and Alcohol – Treatment – SIEDA – DPH.....	14	43
Drug and Alcohol – Prevention – 5889CP21.....	15	44
Family Development – Community Services Block		
Grant – CSBG-08-15-CL and CSBG-09-15-CL.....	16	45
Family Development – Community Services Block		
Grant – CSBG-10-15 and CSBG-R9-15.....	17	46
Family Development – Family Development and Self		
Sufficiency Demonstration Grant – FaDSS-10-15-FL.....	18	47
 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 <i>Government Auditing Standards</i>		48-49
 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.....		50-51
 Schedule of Findings and Questioned Costs/ Summary Schedule of Prior Audit Findings.....		52-57

Introductory

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Revenues By Funding Source For Fiscal Year Ending June 30, 2010

- \$9,347,057 Federal
- \$1,045,959 State of Iowa
- \$692,605 In-Kind
- \$166,253 Other
- \$1,506,302 County and Local Programs
- \$22,000 County
- \$54,471 Utility Contracts

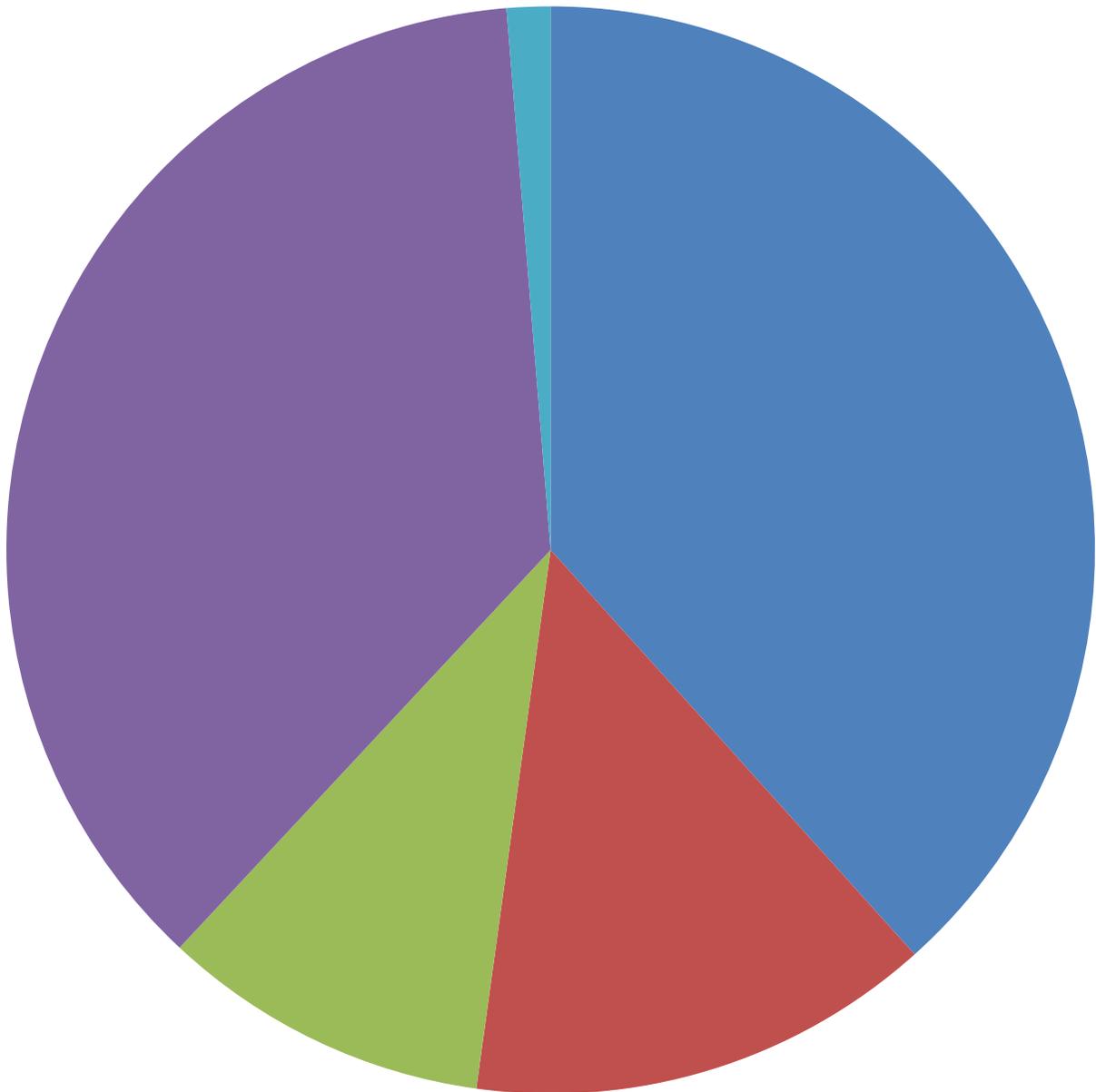


Total Revenues By Funding Source \$12,834,647

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Revenues By Program For Fiscal Year Ending June 30, 2010

- \$4,921,496 Housing Stabilization Unit
- \$1,776,631 Substance Abuse Services
- \$1,252,325 Family Development
- \$4,717,999 Child Development
- \$166,196 Other

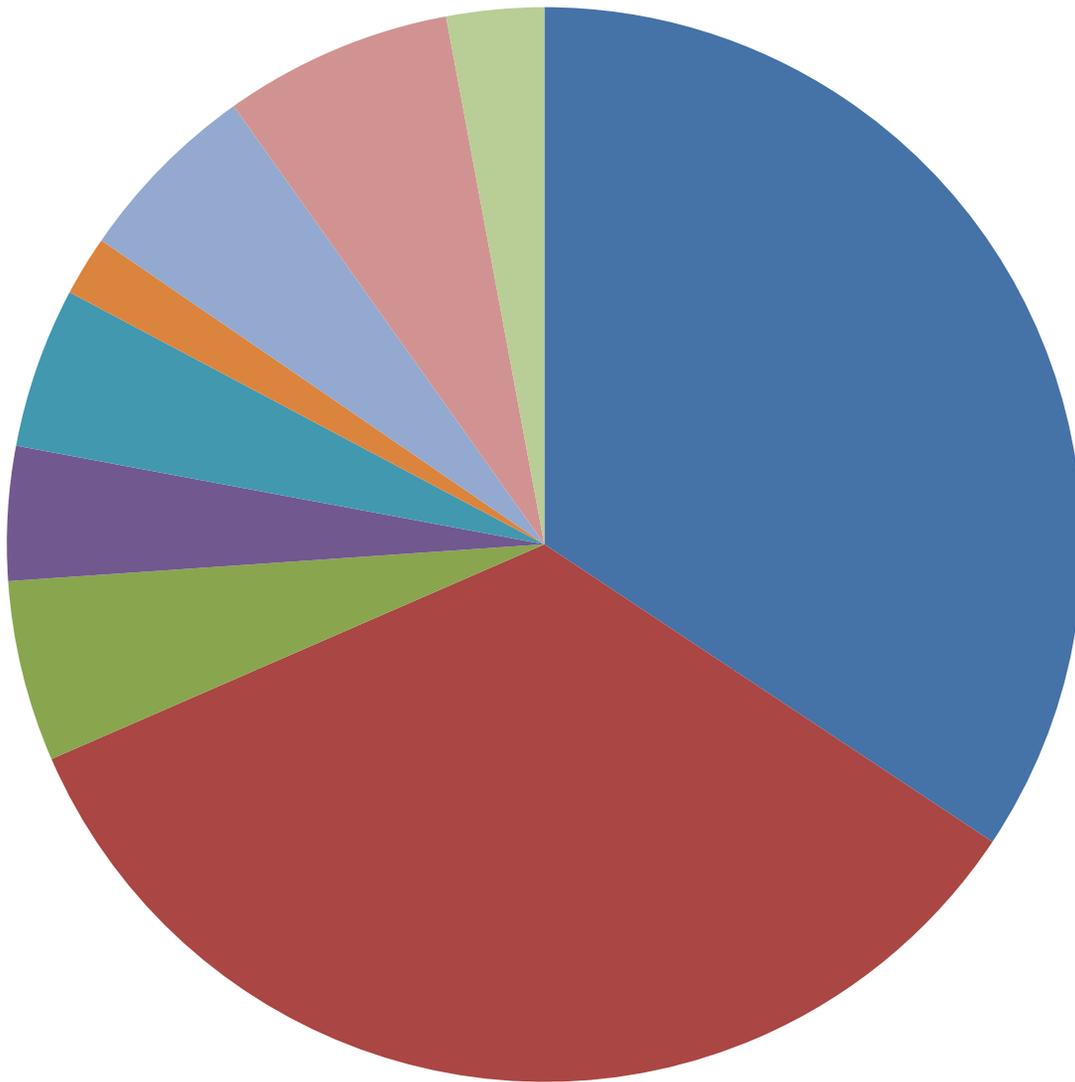


Total Revenues By Program \$12,834,647

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Expenditures By Function For the Fiscal Year Ending June 30, 2010

- \$4,370,088 Personnel Expense
- \$4,343,785 Energy Assistance
- \$692,605 In-Kind Contributions
- \$514,413 Weatherization
- \$613,850 Day Care Providers
- \$230,070 Space & Utilities
- \$714,069 Contracted Services
- \$875,386 Other
- \$373,437 Supplies

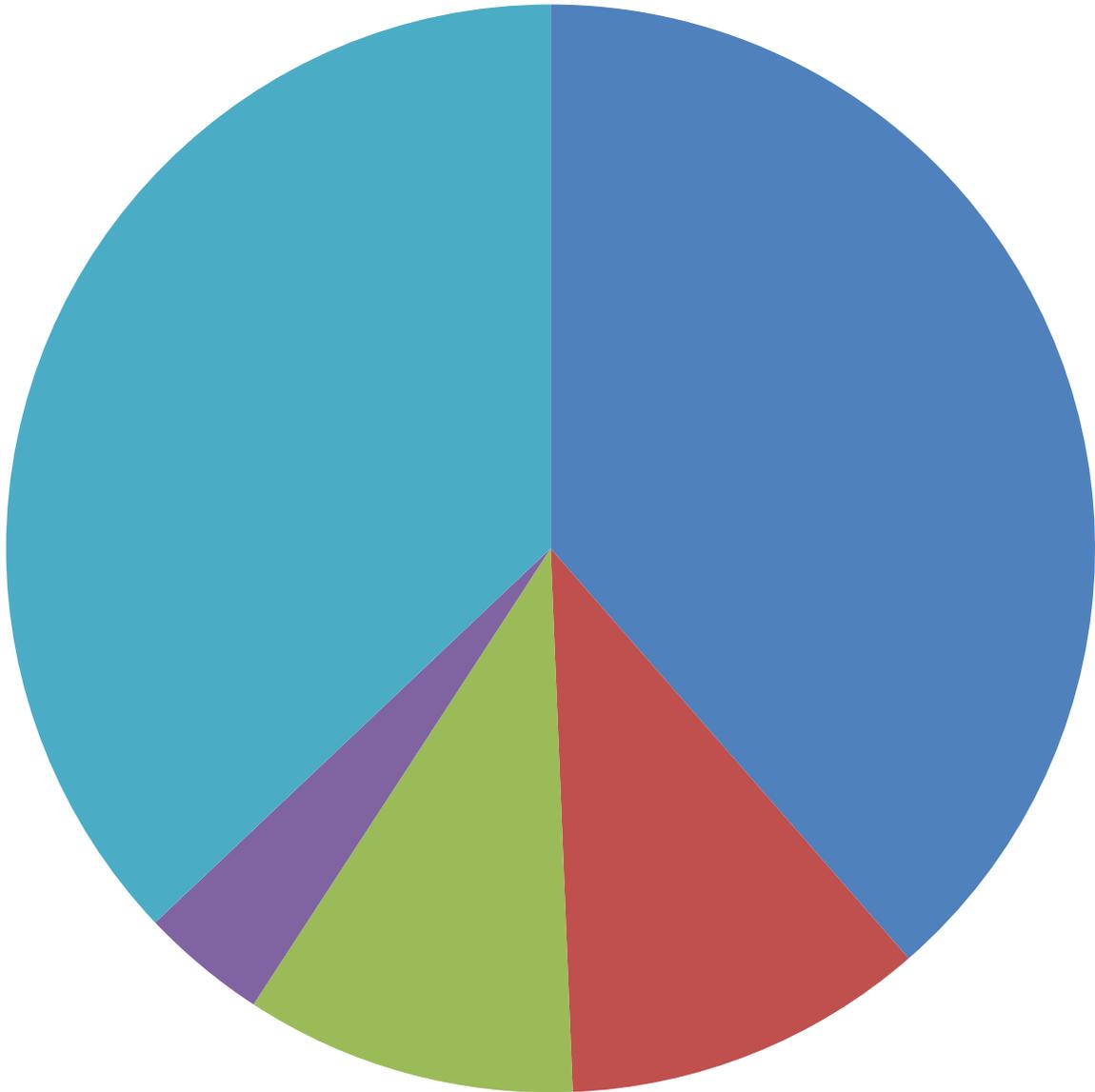


Total Expenditures by Function \$12,727,703

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Expenditures By Program For the Fiscal Year Ending June 30, 2010

- \$4,910,764 Housing Stabilization Unit
- \$1,370,145 Substance Abuse Services
- \$1,252,325 Family Development
- \$476,470 Other
- \$4,717,999 Child Development



Total Expenditures by Program \$12,727,703

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Financial Statements

June 30, 2010



122 South Main
Sigourney, IA 52591
(641)622-1013
Fax (641)622-2850
www.tdtpc.com

TD & T Financial Group, P.C.

Additional Offices:
Burlington
Cedar Rapids
Centerville
Fairfield
Mt. Pleasant
Oskaloosa
Ottumwa
Pella

Independent Auditors' Report

Board of Directors
Southern Iowa Economic Development Association
Ottumwa, Iowa

We have audited the accompanying statement of financial position of the Southern Iowa Economic Development Association as of June 30, 2010, and the related statements of activities, functional expenditures and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southern Iowa Economic Development's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial position of the Southern Iowa Economic Development Association as of June 30, 2010, and the changes in its net assets, and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 1, 2010, on our consideration of the Southern Iowa Economic Development Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and is important for assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule 1, Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The other supplementary data included on pages 1 to 4 and in Schedules 2 to 18 is presented for analysis purposes only and is not a required part of the basic financial statements. Such data has been subjected to the auditing procedures applied in the audit of the aforementioned financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

T&T Financial Group, P.C.

Sigourney, Iowa
November 1, 2010

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
 Combined Statement of Financial Position - All Funds
 June 30, 2010

	Admin- istrative <u>Funds</u>	Program <u>Funds</u>	Plant <u>Fund</u>	<u>Total</u>
Assets				
Cash and cash equivalents	\$ 773,765	12,021	-	785,786
Petty cash	100	-	-	100
Receivables:				
Grantor agencies	-	689,393	-	689,393
Other sources	15,615	16,425	660	32,700
Other funds	141,794	245,337	-	387,131
Prepaid expenses	46,969	25,707	-	72,676
Inventory	2,662	3,987	-	6,649
Property and equipment at cost, net of accumulated depreciation of \$545,771	-	-	319,168	319,168
Total assets	<u>\$ 980,905</u>	<u>992,870</u>	<u>319,828</u>	<u>2,293,603</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 19,068	105,793	657	125,518
Accrued payroll	14,676	112,815	-	127,491
Accrued payroll taxes	11,147	108,180	-	119,327
Other current liabilities	5,744	22,268	-	28,012
Other funds	-	345,157	41,974	387,131
Deferred revenue	-	298,657	-	298,657
Accrued vacation	121,827	-	-	121,827
Due to grantor	103,881	-	-	103,881
Current portion of notes payable - building	-	-	4,666	4,666
Long-term portion of notes payable - building	-	-	7,171	7,171
Total liabilities	<u>276,343</u>	<u>992,870</u>	<u>54,468</u>	<u>1,323,681</u>
Net assets:				
Unrestricted	<u>704,562</u>	<u>-</u>	<u>265,360</u>	<u>969,922</u>
Total liabilities and net assets	<u>\$ 980,905</u>	<u>992,870</u>	<u>319,828</u>	<u>2,293,603</u>

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
 Combined Statement of Activities - All Funds
 For the Year Ended June 30, 2010

	Unrestricted			Total
	Admin- istrative Funds	Program Funds	Plant Fund	
Revenues and Support:				
Department of Energy	\$ -	31,151	-	31,151
Department of Health and Human Services	-	8,448,902	-	8,448,902
Department of Agriculture	-	867,004	-	867,004
Iowa Department of Human Services	-	151,908	-	151,908
Iowa Department of Public Health	-	894,051	-	894,051
In-kind contributions	-	692,605	-	692,605
County and local contracts	-	1,075,940	-	1,075,940
Utility Companies	-	54,471	-	54,471
CSBG budgeted co-funding	-	57	-	57
County contributions	22,000	-	-	22,000
Investment in fixed assets	-	-	19,399	19,399
Other sources	102,391	452,362	22,406	577,159
Total revenues	<u>124,391</u>	<u>12,668,451</u>	<u>41,805</u>	<u>12,834,647</u>
Expenditures:				
Weatherization assistance	-	308,953	-	308,953
Low Income Home Energy Assistance	-	4,601,811	-	4,601,811
Head Start	-	2,937,597	-	2,937,597
Child Care Food Program (Day Care Homes)	-	736,198	-	736,198
Other Child Development grants	-	1,044,204	-	1,044,204
Substance Abuse Services grants	-	1,370,145	-	1,370,145
Community Services Block Grant	-	914,795	-	914,795
FaDSS	-	313,843	-	313,843
Other Family Development grants	-	23,687	-	23,687
Administrative/Other	401,173	-	75,297	476,470
Total expenditures	<u>401,173</u>	<u>12,251,233</u>	<u>75,297</u>	<u>12,727,703</u>
Change in net assets	<u>(276,782)</u>	<u>417,218</u>	<u>(33,492)</u>	<u>106,944</u>
Unrestricted net assets at beginning of year before restatement	698,870	-	376,966	1,075,836
Restatement of beginning net assets	(134,744)	-	(78,114)	(212,858)
Unrestricted net assets at beginning of year after restatement	564,126	-	298,852	862,978
Net transfer to administrative funds	417,218	(417,218)	-	-
Unrestricted net assets at end of year	<u>\$ 704,562</u>	<u>-</u>	<u>265,360</u>	<u>969,922</u>

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
 Combined Statement of Functional Expenditures - All Funds
 For the Year Ended June 30, 2010

	Unrestricted			
	Admin- istrative Funds	Program Funds	Plant Fund	Total
Salaries and wages	\$ 318,127	2,983,729	-	3,301,856
Fringe benefits	74,179	994,053	-	1,068,232
Contracted services/consultants	4,262	709,807	-	714,069
Co-funding	-	119	-	119
Depreciation expense	-	-	68,676	68,676
Day care provider payments	-	613,850	-	613,850
Energy assistance	-	4,343,785	-	4,343,785
Food	-	128,714	-	128,714
In-kind contributions	-	692,605	-	692,605
Insurance	3,209	10,543	-	13,752
Other	127,578	382,393	-	509,971
Space costs	30,388	193,061	6,621	230,070
Supplies	15,077	358,360	-	373,437
Telephone	5,285	34,184	-	39,469
Travel	17,044	97,641	-	114,685
Weatherization	240,864	273,549	-	514,413
	836,013	11,816,393	75,297	12,727,703
Total expenditures before allocation of indirect costs				
Allocation of indirect costs	(434,840)	434,840	-	-
Total expenditures	\$ 401,173	12,251,233	75,297	12,727,703

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
Statement of Cash Flows
For the Year Ended June 30, 2010

Cash flows from operating activities:	
Change in net assets	\$ 106,944
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) by operating activities:	
Depreciation expense	68,676
Net restatement of fixed assets	(53,184)
(Increase) decrease in:	
Grantor and other receivables	(190,657)
Other funds	117,688
Prepaid expenses	44,641
Inventory	(91)
Increase (decrease) in:	
Accounts payable	12,352
Accrued expenses	79,996
Other funds	(117,688)
Deferred revenue	5,514
Due to grantor	<u>103,881</u>
Net cash provided (used) by operating activities	<u>178,072</u>
 Cash flows from investing activities:	
Investment in fixed assets	<u>(19,399)</u>
Net cash provided (used) by investing activities	<u>(19,399)</u>
 Cash flows from financing activities:	
Payments on notes payable - building	<u>(4,572)</u>
Net cash provided (used) by financing activities	<u>(4,572)</u>
 Net change in cash and cash equivalents	154,101
 Cash and cash equivalents, beginning of year	<u>631,785</u>
 Cash and cash equivalents, end of year	<u>\$ 785,886</u>

See accompanying notes to financial statements.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements June 30, 2010

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

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

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

The Agency's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board for non-profit organizations.

Fund Accounting

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

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

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

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

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

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

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

Basis of Presentation

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

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

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

Assets, Liabilities and Net Assets

The following accounting policies are followed in preparing the statement of financial position:

Cash and Cash Equivalents – The Agency considers amounts in demand deposits, money market funds, and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash paid for interest during the year was \$377.

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Receivables/Payables from Other Funds – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent certain transactions between funds had not been paid or received as of June 30, 2010, balances of interfund amounts receivable or payable have been recorded.

Inventory

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

Property and Equipment

The Agency reports all property and equipment additions which have extended useful lives as program expenditures to match budgeting methods in the fund purchasing the asset. The Agency then capitalizes in the plant fund, property and equipment with a cost of over \$5,000 as an asset and depreciates the asset using a straight line method with a useful life of 5 to 40 years. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value.

All repairs and general maintenance are recognized as program or administrative expenditures as incurred. Major replacements and improvements are capitalized. The costs of assets disposed of are deleted. No interest costs were capitalized since there were no qualifying assets.

Deferred Revenue

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

Accrued Vacation

Employees of the Organization accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities of the Administrative Fund. This liability has been computed based on rates of pay in effect at June 30, 2010.

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

Program Reporting Year Ends

The Southern Iowa Economic Development Association has adopted a fiscal reporting year end of June 30. Certain program grants administered have different program period ending dates based on grantor requirements. All grants ending June 30, 2010 have been included in this annual report and amounts included for these programs are for the twelve month period, or the specified program period, if less, ending June 30, 2010. This report also includes those grants which end on various dates as specified in the contracts. Therefore, these financial statements include revenue and expenditure statements for two grant periods for certain grants. One covers revenue and expenditure amounts for the partial grant period which began during the current year and one covers the revenues and expenditures for the partial grant year that began during the previous year.

Indirect Expense Allocation

Expenses relating to the administration of the Agency in general are allocated to the specific program grants based upon a predetermined rate of 14.3% of gross salaries charged to the grant, actual space occupied (rent, utilities), or some other equitable basis depending upon the nature of the expenditure. The predetermined rate is based on a formula developed by the Agency and approved by the Department of Health and Human Services, its oversight agency. Grants whose budgets do not allow for the total indirect cost allocation are co-funded through the CSBG grant.

In-Kind Contributions

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

Total Column

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

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

Note 2 – Net Cash

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

Cash in bank:		
Agency – checking	\$	123,524
Agency – savings		125,492
I-Care – checking		9,418
Head Start – savings		2,603
State Fund Deposit Savings		<u>524,749</u>
		<u>785,786</u>
Petty cash:		
Agency		50
Substance Abuse Services		<u>50</u>
		<u>100</u>
	\$	<u>785,886</u>

The Agency's bank deposits at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

Note 3 – Receivable-Grantor Agencies

Receivable-Grantor Agencies at June 30, 2010 as reported in Exhibit A is composed of the following:

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 3 – Receivable-Grantor Agencies (Continued)

Department of Energy:	
Iowa Department of Human Rights:	
DOE	\$ 31,150
DOE ARRA	18,143
Department of Agriculture:	
Iowa Department of Education:	
Supplemental Foods	20,551
Day Care Homes	70,958
Department of Health and Human Services:	
Head Start (Direct)	107,323
Head Start ARRA (Direct)	8,183
Iowa Department of Human Rights:	
CSBG – 09	8,698
CSBG – 10	62,976
HEAP	50,473
LIHEAP	27,047
CSBG – ARRA	10,647
Iowa Department of Public Health:	
Prevention	34,983
Tobacco	17,663
Access to Recovery	20,908
Iowa Department of Human Services:	
FaDSS	1,183
Iowa Department of Human Rights:	
MEC – Weatherization Assistance	2,667
IPL – Weatherization Assistance	15,312
Empowerment Boards:	
ADLM	19,472
Mahaska/Wapello	119,666
Jefferson/Keokuk	15,122
ADLM Extended Hours and Recruiter	11,381
Van Buren Extended Hours	1,794
Cardinal School Contract	7,288
Oak Terrace Agreement	276
Lucus/Wayne County – Gambling Funds	1,753
Mahaska County – Gambling Funds	3,205
Keokuk County – Gambling Funds	<u>571</u>
	\$ <u>689,393</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 4 – Property and Equipment

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

	<u>Equipment</u>	<u>Land and Buildings</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Department of Human Rights DOE/HEAP – Weatherization	\$ 161,545	-	(92,339)	69,206
Department of Health and Human Services – Head Start	235,732	-	(211,039)	24,693
Iowa Department of Substance Treatment	39,970	-	(27,785)	12,185
Agency	61,502	291,384	(139,802)	213,084
Empowerment – Parents as Teachers	71,856	-	(71,856)	-
Department of Human Rights – FaDSS	<u>2,950</u>	<u>-</u>	<u>(2,950)</u>	<u>-</u>
	<u>\$ 573,555</u>	<u>291,384</u>	<u>(545,771)</u>	<u>319,168</u>

Equipment and building are reported at original cost or donated value. It is the Agency's policy to capitalize equipment with a purchase price equal to or over \$5,000. Depreciation expense was \$68,676 for the year ended June 30, 2010.

Note 5 – Line of Credit

As of June 30, 2010, SIEDA had a \$250,000 line of credit secured by all personal property. The interest rate was 1 percent above the Wells Fargo prime rate index, floating. The balance was \$-0- as of June 30, 2010. The line of credit was terminated subsequent to yearend.

Note 6 – Long Term Liabilities

The Agency obtained a long term real estate contract from the City of Sigourney. The contract calls for monthly payments of \$405 and accrues interest of 2 percent per annum. The related building secures the contract. The balance at June 30, 2010, is \$11,837. Final payment is due December 2012.

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

2011	\$	4,666
2012		4,760
2013		2,411
2014		-
2015		-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 7 – Provider Relationship

The Agency provides outpatient counseling, education, and substance abuse prevention service to residents of the eleven county area under authorization from the Iowa Department of Public Health, Division of Substance Abuse and Health Promotion. Services are provided under a license which extends through July 13, 2012. Provision of services after that date is contingent upon continued licensure by the Iowa Department of Public Health, Division of Substance Abuse and Health Promotion.

Note 8 – Match Funds Required – Head Start Program

The Head Start grant requires grantee provided support to match Federal funding in the amount of 20% of the total Federal and non-Federal revenues. Based on grant terms for Grant Number 07CH6142/43 for the period December 1, 2008 through November 30, 2009 the grant provided for \$1,992,356 of Federal support and grantee matching support in the amount of \$479,320. Such grantee match requirement of 20% of federal funding was met.

Grant terms for Grant Number 07CH6142/44 for the period December 1, 2009 through November 30, 2010 provided for \$1,992,621 of Federal support and grantee matching support in the amount of \$498,155. At June 30, 2010 matching support had not been met.

Note 9 – Lease of Space

SIEDA leases the space where their offices are located in Ottumwa and several other resource center locations. The office lease has an option to be renewed every five years and is currently renewable February 28, 2011. The space is expensed to the individual programs by a square footage allocation. The resource centers have varying expirations. The current contracts required annual lease payments of approximately \$278,000 for the space leased at June 30, 2010. At June 30, 2010, the lease commitments for each of the next five years are as follows:

2011	\$ 273,000
2012	170,000
2013	79,000
2014	80,000
2015	68,000

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 10 – Retirement Plan

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

All plan members at SIEDA are required to contribute 4.30% of their annual salary and the Agency is required to contribute 6.65% of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the year ended June 30, 2010 was \$224,105, equal to the required contributions for the year.

Note 11 – Employee Vacation Benefit

Agency employees accumulate vacation leave hours for subsequent use or payment upon termination or retirement. SIEDA began recognizing the accrual for vacation this year as a liability of the Administrative Fund as the accrual is not an allowable expense of the program. As of June 30, 2010 vested unpaid vacation leave for Agency employees was \$121,827.

Note 12 – Economic Dependency

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

Note 13 – Contingent Liability

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

Note 14 – Risk Management

Southern Iowa Economic Development Association is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no claims from these risks that have exceeded commercial insurance coverage for the past three years.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Notes to Financial Statements (Continued) June 30, 2010

Note 15 – Contingency

The Agency was not in compliance with provisions of federal contract agreements as listed in the schedule of findings and questioned costs. An estimate of the loss associated with this noncompliance cannot be made.

Note 16 – Restatement of Prior Year Net Assets

The Agency has determined that they will recognize accrued vacation and depreciation expense in accordance with generally accepted accounting standards. In the past, the Agency has had a qualified audit report due to these departures. At June 30, 2010, the effect of restating beginning net assets to recognize accrued vacation in the administrative fund resulted in a decrease of \$134,744 to the beginning balance. The net effect of recognizing depreciation expense and the resulting accumulated depreciation resulted in a decrease of net assets in the plant fund of \$78,114. The net decrease in the plant fund was due to adjusting from a write-off method previously used by the Agency and adopting a new method.

Note 17 - Possible Contingency

A weatherization contractor who is no longer contracted with SIEDA has filed a lawsuit against the Agency. Neither the value of the claim or the amount of liability, should one exist, is determinable on the date of the audit report.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Supplementary Data

June 30, 2010

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/ Pass Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Non ARRA Federal Expenditures</u>	<u>ARRA Federal Expenditures</u>	<u>Total Federal Expenditures</u>
Department of Health and Human Services:					
Direct - Department of Health and Human Services:					
Head Start Cluster					
ARRA-Head Start	93.708*	07SE6142/01	\$ -	106,989	106,989
Head Start	93.600*	07CH6142	2,049,023	-	2,049,023
Total Head Start Cluster			<u>2,049,023</u>	<u>106,989</u>	<u>2,156,012</u>
Iowa Department of Human Rights, Division of Community Action Agencies:					
CSBG Cluster					
ARRA-Community Services Block Grant	93.710*	CSBG-R9-15	-	470,678	470,678
Community Services Block Grant	93.569*	CSBG-08, 09 and 10- 15-CL	443,934	-	443,934
Total CSBG Cluster			<u>443,934</u>	<u>470,678</u>	<u>914,612</u>
TANF Cluster					
Temporary Assistance for Needy Families	93.558	FaDDS-10-15L	161,935	-	161,935
Other Programs:					
Low Income Home Energy Assistance	93.568*	HEAP-09 and 10-15L and LIHEAP 09 and 10-15L	4,774,975	-	4,774,975
Iowa Department of Public Health:					
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SIEDA-DPH and 588 0 CP21	380,504	-	380,504
Total Department of Health and Human Services			<u>7,810,371</u>	<u>577,667</u>	<u>8,388,038</u>

(continued)

* = Major program

See accompanying independent auditors' reports.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

<u>Federal Grantor/ Pass Through Grantor Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Non ARRA Federal Expenditures</u>	<u>ARRA Federal Expenditures</u>	<u>Total Federal Expenditures</u>
Department of Energy:					
Iowa Department of Human Rights, Division of Community Action Agencies:					
Other Programs:					
Weatherization Assistance for Low-Income Persons	81.042*	DOE-09-15L	20,419	-	20,419
ARRA-Weatherization Assistance for Low-Income Persons	81.042*	DOE-ARRA-09-15L	-	60,864	60,864
			<u>20,419</u>	<u>60,864</u>	<u>81,283</u>
United States Department of Agriculture:					
Department of Education:					
Other Programs:					
Child and Adult Care Food Program	10.558	908010 & 17	867,004	-	867,004
			<u>867,004</u>	<u>-</u>	<u>867,004</u>
Total Federal Expenditures			<u>\$ 8,697,794</u>	<u>638,531</u>	<u>9,336,325</u>

Notes to Schedule of Expenditures of Federal Awards:

Basis of presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southern Iowa Economic Development Association under programs of the federal government for the year ended June 30, 2010. The information on this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of SIEDA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SIEDA.

Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

* = Major program

See accompanying independent auditors' reports.

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
Combining Schedule of Financial Position - Program Funds
June 30, 2010

	<u>DOE</u>	<u>DOE-ARRA</u>	<u>HEAP</u>	<u>MEC</u>	<u>IPL</u>
Assets					
Cash and cash equivalents	\$ -	-	-	-	-
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	31,150	18,143	50,473	2,667	15,312
Other sources	301	-	-	-	-
Other funds	-	-	-	-	-
Prepaid expenses	1,015	-	(62)	-	-
Inventory	3,987	-	-	-	-
	<u>36,453</u>	<u>18,143</u>	<u>50,411</u>	<u>2,667</u>	<u>15,312</u>
Total assets	\$ 36,453	18,143	50,411	2,667	15,312
Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ 11,749	1,561	430	2,545	-
Accrued payroll	-	6,887	-	-	-
Accrued payroll taxes	-	-	3,219	-	-
Other current liabilities	155	-	-	-	-
Other funds	24,549	9,695	46,762	122	15,312
Deferred revenue	-	-	-	-	-
	<u>36,453</u>	<u>18,143</u>	<u>50,411</u>	<u>2,667</u>	<u>15,312</u>
Total liabilities	36,453	18,143	50,411	2,667	15,312
Net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	\$ 36,453	18,143	50,411	2,667	15,312

(continued)

<u>Alliant Counseling</u>	<u>I-Care</u>	<u>Project Helper</u>	<u>Alliant Hometown Cares</u>	<u>I Care Mid-American</u>	<u>Hometown Cares-HACAP</u>	<u>LIHEAP</u>	<u>Head Start</u>
-	9,418	-	-	-	-	-	2,603
-	-	-	-	-	-	-	-
-	-	-	-	-	-	27,047	107,323
-	-	-	-	-	-	-	114
74	12,658	5,240	2,072	2,295	48,186	205	-
-	-	-	-	-	-	575	10,399
-	-	-	-	-	-	-	-
<u>74</u>	<u>22,076</u>	<u>5,240</u>	<u>2,072</u>	<u>2,295</u>	<u>48,186</u>	<u>27,827</u>	<u>120,439</u>
-	-	-	-	-	-	131	8,103
-	-	-	-	-	-	3,161	22,307
-	-	-	-	-	-	3,222	40,925
-	-	-	-	-	-	10,620	8,417
-	9,418	-	-	-	-	-	23,025
<u>74</u>	<u>12,658</u>	<u>5,240</u>	<u>2,072</u>	<u>2,295</u>	<u>48,186</u>	<u>10,693</u>	<u>17,662</u>
74	22,076	5,240	2,072	2,295	48,186	27,827	120,439
-	-	-	-	-	-	-	-
<u>74</u>	<u>22,076</u>	<u>5,240</u>	<u>2,072</u>	<u>2,295</u>	<u>48,186</u>	<u>27,827</u>	<u>120,439</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
Combining Schedule of Financial Position - Program Funds (Continued)
June 30, 2010

	Head Start <u>ARRA</u>	Head Start <u>Cardinal</u>	Parents as Teachers <u>ADLM</u>	Parents as Teachers <u>Mah/Wap</u>	Parents as Teachers <u>Jeff/Keokuk</u>
Assets					
Cash and cash equivalents	\$ -	-	-	-	-
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	8,183	7,288	16,200	38,812	15,021
Other sources	-	-	19	-	-
Other funds	-	-	-	-	-
Prepaid expenses	-	-	527	1,076	187
Inventory	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 \$ 8,183	 7,288	 16,746	 39,888	 15,208
	<u>8,183</u>	<u>7,288</u>	<u>16,746</u>	<u>39,888</u>	<u>15,208</u>
 Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ -	3,831	101	105	57
Accrued payroll	-	-	140	7,205	2,776
Accrued payroll taxes	-	-	2,769	5,612	978
Other current liabilities	-	-	279	271	-
Other funds	8,183	3,457	13,457	26,562	11,397
Deferred revenue	-	-	-	133	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>133</u>	<u>-</u>
Total liabilities	8,183	7,288	16,746	39,888	15,208
 Net assets	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total liabilities and net assets	 \$ 8,183	 7,288	 16,746	 39,888	 15,208
	<u>8,183</u>	<u>7,288</u>	<u>16,746</u>	<u>39,888</u>	<u>15,208</u>

(continued)

<u>BASEC PAT Educator Mah/Wap</u>	<u>Child Care Educator ADLM</u>	<u>Child Care Educator Mah/Wap</u>	<u>Child Care Educator Jeff/Keokuk</u>	<u>Van Buren Ext. Hrs.</u>	<u>ADLM Ext. Hrs.</u>	<u>Reading is Fun</u>	<u>ADLM Child Care Recruiter</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,982	3,272	11,872	101	1,794	8,865	-	2,516
-	10	-	-	-	-	-	-
-	-	-	789	-	-	747	-
-	177	436	-	-	-	-	79
-	-	-	-	-	-	-	-
<u>23,982</u>	<u>3,459</u>	<u>12,308</u>	<u>890</u>	<u>1,794</u>	<u>8,865</u>	<u>747</u>	<u>2,595</u>
11,274	20	-	27	-	-	-	49
618	-	2,714	-	-	-	-	548
43	741	1,952	800	-	-	-	348
-	190	125	63	-	-	-	63
12,047	2,508	7,517	-	1,794	8,865	-	1,587
-	-	-	-	-	-	747	-
<u>23,982</u>	<u>3,459</u>	<u>12,308</u>	<u>890</u>	<u>1,794</u>	<u>8,865</u>	<u>747</u>	<u>2,595</u>
-	-	-	-	-	-	-	-
<u>23,982</u>	<u>3,459</u>	<u>12,308</u>	<u>890</u>	<u>1,794</u>	<u>8,865</u>	<u>747</u>	<u>2,595</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
Combining Schedule of Financial Position - Program Funds (Continued)
June 30, 2010

	<u>Day Care Homes</u>	<u>CACFP Supp Foods</u>	<u>Drug and Alcohol - Treatment</u>	<u>SAS Access to Recovery</u>	<u>Voc Rehab</u>
Assets					
Cash and cash equivalents	\$ -	-	-	-	-
Petty cash	-	-	-	-	-
Receivables:					
Grantor agencies	70,958	20,551	-	20,908	-
Other sources	13	-	15,857	-	-
Other funds	-	-	91,138	42,544	1,672
Prepaid expenses	91	-	6,393	-	-
Inventory	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 71,062</u>	<u>20,551</u>	<u>113,388</u>	<u>63,452</u>	<u>1,672</u>
Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ 56,648	3,633	3,056	1,274	-
Accrued payroll	3,505	-	24,655	1,568	-
Accrued payroll taxes	2,662	-	18,813	1,038	-
Other current liabilities	172	-	1,007	-	-
Other funds	8,075	16,918	-	-	-
Deferred revenue	-	-	65,857	59,572	1,672
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>71,062</u>	<u>20,551</u>	<u>113,388</u>	<u>63,452</u>	<u>1,672</u>
Net assets	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 71,062</u>	<u>20,551</u>	<u>113,388</u>	<u>63,452</u>	<u>1,672</u>

(continued)

<u>Drug and Alcohol - Prevention</u>	<u>Drug and Alcohol - Tobacco</u>	<u>Lucas/Wayne Gambling Grant</u>	<u>Mahaska Gambling Grant</u>	<u>Keokuk Gambling Grant</u>	<u>SAS M/W DECAT Treatment</u>	<u>CSBG 2009</u>	<u>CSBG 2010</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
34,983	17,663	1,753	3,205	571	45,000	8,698	62,976
-	-	-	-	-	-	-	111
-	-	-	-	-	-	-	10,315
942	204	-	-	-	-	-	2,976
-	-	-	-	-	-	-	-
<u>35,925</u>	<u>17,867</u>	<u>1,753</u>	<u>3,205</u>	<u>571</u>	<u>45,000</u>	<u>8,698</u>	<u>76,378</u>

189	62	-	-	-	-	-	679
4,345	2,594	292	-	211	-	-	17,963
3,741	1,892	48	-	32	-	-	11,505
49	63	-	-	-	-	-	589
27,601	13,256	1,413	3,205	328	39,130	8,698	-
-	-	-	-	-	<u>5,870</u>	-	<u>45,642</u>
<u>35,925</u>	<u>17,867</u>	<u>1,753</u>	<u>3,205</u>	<u>571</u>	<u>45,000</u>	<u>8,698</u>	<u>76,378</u>
-	-	-	-	-	-	-	-
<u><u>35,925</u></u>	<u><u>17,867</u></u>	<u><u>1,753</u></u>	<u><u>3,205</u></u>	<u><u>571</u></u>	<u><u>45,000</u></u>	<u><u>8,698</u></u>	<u><u>76,378</u></u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
Combining Schedule of Financial Position - Program Funds (Continued)
June 30, 2010

	<u>CSBG</u> <u>ARRA</u>	<u>FaDSS</u>	<u>Oak</u> <u>Terrace</u>	<u>United</u> <u>Way</u>
Assets				
Cash and cash equivalents	\$ -	-	-	-
Petty cash	-	-	-	-
Receivables:				
Grantor agencies	10,647	1,183	276	-
Other sources	-	-	-	-
Other funds	11,499	11,696	-	3,320
Prepaid expenses	50	642	-	-
Inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 22,196</u>	<u>13,521</u>	<u>276</u>	<u>3,320</u>
Liabilities and Net Assets				
Liabilities:				
Accounts payable	\$ 4	265	-	-
Accrued payroll	4,587	6,739	-	-
Accrued payroll taxes	1,528	6,312	-	-
Other current liabilities	-	205	-	-
Other funds	-	-	276	-
Deferred revenue	16,077	-	-	3,320
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	22,196	13,521	276	3,320
Net assets	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 22,196</u>	<u>13,521</u>	<u>276</u>	<u>3,320</u>

<u>Mahaska</u> <u>County</u> <u>Wal-Mart Nest</u>	<u>St. Patricks</u> <u>Fund</u>	<u>Total</u> <u>(Memo</u> <u>Only)</u>
-	-	12,021
-	-	-
-	-	689,393
-	-	16,425
337	550	245,337
-	-	25,707
-	-	3,987
<u>337</u>	<u>550</u>	<u>992,870</u>

-	-	105,793
-	-	112,815
-	-	108,180
-	-	22,268
-	-	345,157
<u>337</u>	<u>550</u>	<u>298,657</u>
337	550	992,870
<u>-</u>	<u>-</u>	<u>-</u>
<u>337</u>	<u>550</u>	<u>992,870</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
Combining Schedule of Activities - Program Funds
For the Year Ended June 30, 2010

	<u>DOE</u> <u>2009</u>	<u>DOE-ARRA</u> <u>2009</u>	<u>HEAP</u> <u>2009</u>	<u>HEAP</u> <u>2010</u>
Revenues and support:				
Department of Energy	\$ 31,151	-	-	-
Dept. of Health and Human Services	-	60,864	4,861	168,338
Department of Agriculture	-	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	-	-
In-kind contributions	-	-	-	-
County and local contracts	-	-	-	-
Utility Companies	-	-	-	-
CSBG budgeted co-funding	-	-	-	-
Other sources	-	-	-	-
Total revenues	<u>31,151</u>	<u>60,864</u>	<u>4,861</u>	<u>168,338</u>
Expenditures:				
Salaries and wages	-	-	-	-
Fringe benefits	-	-	-	-
Contracted services/consultants	-	-	-	-
Co-funding	-	-	-	-
Day care provider payments	-	-	-	-
Energy assistance	-	-	-	-
Food	-	-	-	-
Indirect costs	-	-	-	-
In-kind contributions	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Space costs	-	-	-	-
Supplies	-	-	-	-
Telephone	-	-	-	-
Travel	-	-	-	-
Weatherization	<u>20,419</u>	<u>60,864</u>	<u>4,861</u>	<u>168,338</u>
Total expenditures	<u>20,419</u>	<u>60,864</u>	<u>4,861</u>	<u>168,338</u>
Change in net assets	10,732	-	-	-
Net assets at beginning of year	-	-	-	-
Transfer (to) from administrative funds	<u>(10,732)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Combining Schedule of Activities - Program Funds (Continued)

For the Year Ended June 30, 2010

	Hometown Cares- HACAP	I-Care	Head Start 11/30/2010	Head Start In-Kind 11/30/2010
Revenues and support:				
Department of Energy	\$ -	-	-	-
Dept. of Health and Human Services	-	-	1,181,025	-
Department of Agriculture	-	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	-	-
In-kind contributions	-	-	-	353,764
County and local contracts	-	-	37,608	-
Utility Companies	31,701	1,395	-	-
CSBG budgeted co-funding	-	-	-	-
Other sources	-	-	5,614	-
Total revenues	<u>31,701</u>	<u>1,395</u>	<u>1,224,247</u>	<u>353,764</u>
Expenditures:				
Salaries and wages	-	-	678,528	-
Fringe benefits	-	-	214,291	-
Contracted services/consultants	31,701	1,391	83,537	-
Co-funding	-	-	-	-
Day care provider payments	-	-	-	-
Energy assistance	-	-	-	-
Food	-	-	-	-
Indirect costs	-	-	94,687	-
In-kind contributions	-	-	-	353,764
Insurance	-	-	-	-
Other	-	-	114,604	-
Space costs	-	-	-	-
Supplies	-	4	51,304	-
Telephone	-	-	-	-
Travel	-	-	4,644	-
Weatherization	-	-	-	-
Total expenditures	<u>31,701</u>	<u>1,395</u>	<u>1,241,595</u>	<u>353,764</u>
Change in net assets	-	-	(17,348)	-
Net assets at beginning of year	-	-	-	-
Transfer (to) from administrative funds	-	-	17,348	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

<u>Head Start 11/30/2009</u>	<u>Head Start In-Kind 11/30/2009</u>	<u>Head Start ARRA</u>	<u>Parents as Teachers ADLM</u>	<u>Parents as Teachers ADLM-CCE</u>	<u>Mah/Wap Parents as Teachers CCE</u>	<u>PAT Mah/Wap Preschool Scholarship</u>
-	-	-	-	-	-	-
867,998	-	106,989	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	307,199	-	-	-	-	-
21,156	-	-	127,182	40,443	102,403	150,950
-	-	-	-	-	-	-
-	-	-	-	-	-	-
56,244	-	-	-	-	-	-
<u>945,398</u>	<u>307,199</u>	<u>106,989</u>	<u>127,182</u>	<u>40,443</u>	<u>102,403</u>	<u>150,950</u>
460,442	-	63,927	73,447	25,417	54,742	7,271
145,423	-	29,156	18,882	6,171	19,609	2,548
50,003	-	668	-	-	385	138,633
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
65,780	-	-	10,503	3,635	7,828	1,040
-	307,199	-	-	-	-	-
-	-	-	1,614	163	421	11
159,442	-	9,035	3,055	307	7,942	974
-	-	-	9,939	2,784	5,186	374
41,437	-	4,203	3,918	635	4,177	99
-	-	-	1,089	188	125	-
5,523	-	-	4,735	1,143	1,988	-
-	-	-	-	-	-	-
<u>928,050</u>	<u>307,199</u>	<u>106,989</u>	<u>127,182</u>	<u>40,443</u>	<u>102,403</u>	<u>150,950</u>
17,348	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(17,348)</u>	-	-	-	-	-	-
-	-	-	-	-	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Combining Schedule of Activities - Program Funds (Continued)

For the Year Ended June 30, 2010

	Parents as Teachers <u>Mah/Wap</u>	PAT Jeff/Keokuk <u>(AIM)</u>	AIM Jeff/Keo Child Care <u>Educator</u>	Van Buren Ext. Hrs. <u></u>
Revenues and support:				
Department of Energy	\$ -	-	-	-
Dept. of Health and Human Services	-	-	-	-
Department of Agriculture	-	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	-	-
In-kind contributions	-	-	-	-
County and local contracts	265,131	113,225	23,063	23,650
Utility Companies	-	-	-	-
CSBG budgeted co-funding	-	-	-	-
Other sources	-	-	-	-
Total revenues	<u>265,131</u>	<u>113,225</u>	<u>23,063</u>	<u>23,650</u>
Expenditures:				
Salaries and wages	145,478	63,183	12,317	10,727
Fringe benefits	43,940	16,305	4,655	3,995
Contracted services/consultants	-	-	-	-
Co-funding	-	-	-	-
Day care provider payments	-	-	-	-
Energy assistance	-	-	-	-
Food	-	-	-	-
Indirect costs	20,803	9,035	1,761	1,534
In-kind contributions	-	-	-	-
Insurance	1,731	410	200	-
Other	3,770	861	364	-
Space costs	13,419	3,936	1,248	-
Supplies	28,257	13,085	1,481	-
Telephone	364	1,363	-	-
Travel	7,369	5,047	1,037	7,394
Weatherization	-	-	-	-
Total expenditures	<u>265,131</u>	<u>113,225</u>	<u>23,063</u>	<u>23,650</u>
Change in net assets	-	-	-	-
Net assets at beginning of year	-	-	-	-
Transfer (to) from administrative funds	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

<u>App/Dav Ext Hrs Appanoose</u>	<u>App/Dav Ext Hrs. Davis Co</u>	<u>RIF 1/31/2011</u>	<u>RIF 1/31/2010</u>	<u>Appanoose Recruiter</u>	<u>Day Care Homes 9/30/2010</u>	<u>Day Care Homes 9/30/2009</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	533,482	202,659
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,657	18,240	-	-	25,191	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	57
-	-	143	369	-	-	-
<u>24,657</u>	<u>18,240</u>	<u>143</u>	<u>369</u>	<u>25,191</u>	<u>533,482</u>	<u>202,716</u>
17,760	13,338	-	-	13,479	50,728	18,202
4,533	3,121	-	-	5,910	15,853	6,309
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	447,281	166,569
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,364	1,781	-	-	1,928	6,825	2,603
-	-	-	-	-	-	-
-	-	-	-	-	-	428
-	-	-	-	471	9,074	6,404
-	-	-	-	1,398	1,033	475
-	-	143	369	463	2,563	1,687
-	-	-	-	292	125	39
-	-	-	-	1,250	-	-
-	-	-	-	-	-	-
<u>24,657</u>	<u>18,240</u>	<u>143</u>	<u>369</u>	<u>25,191</u>	<u>533,482</u>	<u>202,716</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Combining Schedule of Activities - Program Funds (Continued)

For the Year Ended June 30, 2010

	<u>CACFP</u> <u>9/30/2010</u>	<u>CACFP</u> <u>9/30/2009</u>	<u>Drug and</u> <u>Alcohol -</u> <u>Prevention</u>	<u>Drug and</u> <u>Alcohol -</u> <u>Treatment</u>
Revenues and support:				
Department of Energy	\$ -	-	-	-
Dept. of Health and Human Services	-	-	130,178	250,326
Department of Agriculture	130,863	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	30,145	652,355
In-kind contributions	-	-	-	-
County and local contracts	-	-	-	-
Utility Companies	-	-	-	-
CSBG budgeted co-funding	-	-	-	-
Other sources	-	(1,306)	1,150	389,649
Total revenues	<u>130,863</u>	<u>(1,306)</u>	<u>161,473</u>	<u>1,292,330</u>
Expenditures:				
Salaries and wages	-	-	86,429	486,319
Fringe benefits	-	-	25,737	151,118
Contracted services/consultants	-	-	20	32,435
Co-funding	-	-	-	-
Day care provider payments	-	-	-	-
Energy assistance	-	-	-	-
Food	130,062	(1,348)	-	-
Indirect costs	-	-	11,887	66,838
In-kind contributions	-	-	-	-
Insurance	-	-	786	4,779
Other	-	-	8,106	6,720
Space costs	-	-	12,168	58,249
Supplies	801	42	12,244	56,915
Telephone	-	-	136	12,657
Travel	-	-	9,232	17,189
Weatherization	-	-	-	-
Total expenditures	<u>130,863</u>	<u>(1,306)</u>	<u>166,745</u>	<u>893,219</u>
Change in net assets	-	-	(5,272)	399,111
Net assets at beginning of year	-	-	-	-
Transfer (to) from administrative funds	-	-	5,272	(399,111)
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Combining Schedule of Activities - Program Funds (Continued)

For the Year Ended June 30, 2010

	SAS M/W DECAT <u>Treatment</u>	CSBG <u>9/30/2009</u>	CSBG <u>9/30/2010</u>	CSBG <u>12/31/2010</u>
Revenues and support:				
Department of Energy	\$ -	-	-	-
Dept. of Health and Human Services	-	44,863	381,737	17,334
Department of Agriculture	-	-	-	-
Iowa Department of Human Services	-	-	-	-
Iowa Department of Public Health	-	-	-	-
In-kind contributions	-	-	-	-
County and local contracts	39,130	-	-	-
Utility Companies	-	-	-	-
CSBG budgeted co-funding	-	-	-	-
Other sources	-	183	-	-
Total revenues	<u>39,130</u>	<u>45,046</u>	<u>381,737</u>	<u>17,334</u>
Expenditures:				
Salaries and wages	-	(35,795)	213,439	9,261
Fringe benefits	-	58,979	63,072	2,434
Contracted services/consultants	-	-	-	-
Co-funding	-	(1,394)	1,451	62
Day care provider payments	-	-	-	-
Energy assistance	-	-	-	-
Food	-	-	-	-
Indirect costs	-	2,209	30,522	1,315
In-kind contributions	-	-	-	-
Insurance	-	-	-	-
Other	2,600	2,562	17,603	3,212
Space costs	-	13,075	36,879	865
Supplies	31,796	2,517	2,605	16
Telephone	-	2,029	9,665	-
Travel	4,734	864	6,501	169
Weatherization	-	-	-	-
Total expenditures	<u>39,130</u>	<u>45,046</u>	<u>381,737</u>	<u>17,334</u>
Change in net assets	-	-	-	-
Net assets at beginning of year	-	-	-	-
Transfer (to) from administrative funds	-	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

(continued)

CSBG ARRA <u>9/30/2010</u>	<u>FaDSS</u>	<u>Oak Terrace</u>	<u>Prevent Child Abuse Appanoose</u>	<u>Prevent Child Abuse Keokuk</u>	<u>United Way Mahaska</u>	<u>United Way Appanoose</u>
-	-	-	-	-	-	-
470,678	161,935	-	-	-	-	-
-	-	-	-	-	-	-
-	151,908	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,550	951	1,828	1,282
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	276	-	-	-	5
<u>470,678</u>	<u>313,843</u>	<u>276</u>	<u>4,550</u>	<u>951</u>	<u>1,828</u>	<u>1,287</u>
88,702	194,218	196	3,300	665	-	-
22,683	62,145	56	778	191	-	-
342,388	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,577	26,988	24	472	95	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
958	2,218	-	-	-	-	-
2,122	11,615	-	-	-	-	-
459	4,781	-	-	-	1,828	1,287
371	3,025	-	-	-	-	-
1,418	8,853	-	-	-	-	-
-	-	-	-	-	-	-
<u>470,678</u>	<u>313,843</u>	<u>276</u>	<u>4,550</u>	<u>951</u>	<u>1,828</u>	<u>1,287</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Combining Schedule of Activities - Program Funds (Continued)

For the Year Ended June 30, 2010

	St. Patrick's Assistance <u>Fund</u>	Embrace <u>Iowa</u>	Mahaska County <u>Wal-Mart Nest</u>
Revenues and support:			
Department of Energy	\$ -	-	-
Dept. of Health and Human Services	-	-	-
Department of Agriculture	-	-	-
Iowa Department of Human Services	-	-	-
Iowa Department of Public Health	-	-	-
In-kind contributions	-	-	-
County and local contracts	3,854	10,889	52
Utility Companies	-	-	-
CSBG budgeted co-funding	-	-	-
Other sources	-	-	-
Total revenues	<u>3,854</u>	<u>10,889</u>	<u>52</u>
Expenditures:			
Salaries and wages	-	-	-
Fringe benefits	-	-	-
Contracted services/consultants	-	10,889	-
Co-funding	-	-	-
Day care provider payments	-	-	-
Energy assistance	-	-	-
Food	-	-	-
Indirect costs	-	-	-
In-kind contributions	-	-	-
Insurance	-	-	-
Other	3,854	-	-
Space costs	-	-	-
Supplies	-	-	52
Telephone	-	-	-
Travel	-	-	-
Weatherization	-	-	-
Total expenditures	<u>3,854</u>	<u>10,889</u>	<u>52</u>
Change in net assets	-	-	-
Net assets at beginning of year	-	-	-
Transfer (to) from administrative funds	-	-	-
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

Reclass <u>Indirect</u>	Total (Memo <u>Only)</u>
-	31,151
-	8,448,902
-	867,004
-	151,908
-	894,051
-	692,605
-	1,075,940
-	54,471
-	57
-	<u>452,362</u>
<hr/>	<hr/>
-	12,668,451
<hr/>	<hr/>
-	2,983,729
-	994,053
-	709,807
-	119
-	613,850
(18,410)	4,343,785
-	128,714
19,046	434,840
-	692,605
-	10,543
-	382,393
-	193,061
-	358,360
-	34,184
-	97,641
(636)	<u>273,549</u>
<hr/>	<hr/>
-	12,251,233
<hr/>	<hr/>
-	417,218
-	-
-	<u>(417,218)</u>
<hr/>	<hr/>
-	-
<hr/>	<hr/>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
HOUSING STABILIZATION UNIT
DOE

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. DOE-09-15L			
For the Period April 1, 2009 through			
<u>June 30, 2010</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 548,072	290,823	257,249
Expenses:			
Administration	33,493	14,239	19,254
Support	133,409	71,707	61,702
Health and safety	102,916	61,299	41,617
Labor	139,127	68,760	70,367
Materials	139,127	74,818	64,309
Total expenses	<u>548,072</u>	<u>290,823</u>	<u>257,249</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
HOUSING STABILIZATION UNIT
DOE-ARRA

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
<u>Contract No. DOE-ARRA-09-15L</u>			
<u>For the Period April 1, 2009</u>			
<u>through June 30, 2010</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 1,748,578	78,891	1,669,687
Expenses:			
T & TA	321,600	60,864	260,736
Administration	96,182	-	96,182
Administration-equipment	30,826	18,027	12,799
Health and Safety	259,994	-	259,994
Support	337,992	-	337,992
Labor	350,992	-	350,992
Materials	350,992	-	350,992
Total expenses	<u>1,748,578</u>	<u>78,891</u>	<u>1,669,687</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
HOUSING STABILIZATION UNIT
HEAP

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. HEAP-09-15L			
For the Period January 1, 2009			
<u>through December 31, 2009</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 510,533	322,164	188,369
Expenses:			
Administration	27,257	14,836	12,421
Health and safety	92,693	132,007	(39,314)
Support	120,158	38,071	82,087
Labor	125,308	60,271	65,037
Materials	125,308	58,092	67,216
Equipment/training	19,809	18,887	922
Total expenses	510,533	322,164	188,369
Total	\$ -	-	-
Contract No. HEAP-10-15L			
For the Period January 1, 2010			
<u>through June 30, 2010</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 383,970	168,338	215,632
Expenses:			
Administration	20,442	2,821	17,621
Health and safety	70,521	18,184	52,337
Support	91,416	27,523	63,893
Labor	90,334	29,041	61,293
Materials	90,334	71,370	18,964
Equipment/training	20,923	19,399	1,524
Total expenses	383,970	168,338	215,632
Total	\$ -	-	-

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
HOUSING STABILIZATION UNIT
MEC

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. MEC-09-15L			
For the Period January 1, 2009			
<u>through December 31, 2009</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 68,599	68,599	-
Expenses:			
Administration	3,431	2,552	879
Support	6,860	6,605	255
Labor	29,154	21,549	7,605
Materials	29,154	37,893	(8,739)
Total expenses	<u>68,599</u>	<u>68,599</u>	<u>-</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>
Contract No. MEC-10-15L			
For the Period January 1, 2010			
<u>through June 30, 2010</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 126,480	2,667	123,813
Expenses:			
Administration	6,324	7	6,317
Support	12,648	12	12,636
Labor	53,754	1,639	52,115
Materials	53,754	1,009	52,745
Total expenses	<u>126,480</u>	<u>2,667</u>	<u>123,813</u>
Total	\$ <u>-</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
HOUSING STABILIZATION UNIT
IPL

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. IPL-09-15L			
For the Period January 1, 2009			
<u>through December 31, 2009</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>124,395</u>	<u>100,931</u>	<u>23,464</u>
Expenses:			
Administration	6,219	5,002	1,217
Support	12,438	10,000	2,438
Labor	52,869	30,408	22,461
Materials	<u>52,869</u>	<u>55,521</u>	<u>(2,652)</u>
Total expenses	<u>124,395</u>	<u>100,931</u>	<u>23,464</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Contract No. IPL-10-15L			
For the Period January 1, 2010			
<u>through June 30, 2010</u>			
Revenues:			
Grant award – Department of Human Rights	\$ <u>214,396</u>	<u>33,547</u>	<u>180,849</u>
Expenses:			
Administration	10,720	607	10,113
Support	21,440	1,175	20,265
Labor	91,118	9,100	82,018
Materials	<u>91,118</u>	<u>22,665</u>	<u>68,453</u>
Total expenses	<u>214,396</u>	<u>33,547</u>	<u>180,849</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. LIHEAP-09-15-L For the Period October 1, 2008 <u>through September 30, 2009</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 4,255,275	4,226,030	29,245
Expenses:			
Administration	227,376	223,321	4,055
Regular assistance (net of refunds of \$41,354)	3,236,275	3,221,420	14,855
Energy Crisis Intervention payments furnace repair	194,451	194,451	-
Client services A & R	44,984	34,649	10,335
Summer deliverable fuel payments	552,189	552,189	-
Total expenses	<u>4,255,275</u>	<u>4,226,030</u>	<u>29,245</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Contract No. LIHEAP-10-15-L For the Period October 1, 2009 <u>through June 30, 2010</u>			
Revenues:			
Grant award – Department of Human Rights	\$ 3,821,851	3,623,674	198,177
Expenses:			
Administration	210,148	166,641	43,507
Regular assistance (net of refunds of \$28,184)	3,398,297	3,271,960	126,337
Energy Crisis Intervention payments	168,119	151,168	16,951
Client services A & R	45,287	33,905	11,382
Summer deliverable fuel payments	-	-	-
Total expenses	<u>3,821,851</u>	<u>3,623,674</u>	<u>198,177</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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

Schedule of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. 07CH6142/43			
For the Period December 1, 2008			
<u>through November 30, 2009</u>			
Revenues:			
Grant award – Department of Health and Human Services	\$ 1,992,356	1,976,267	16,089
Grantee provided support	479,320	489,832	(10,512)
Cardinal School reimbursement	-	32,027	(32,027)
Settlement on lease termination	-	47,523	(47,523)
Other income	-	14,979	(14,979)
Total revenues	<u>2,471,676</u>	<u>2,560,628</u>	<u>(88,952)</u>
Expenses:			
OHD share:			
Head Start full year – part day (CAN No. 2009 G074122):			
Direct costs:			
Personnel	1,104,364	1,084,093	20,271
Fringe benefits	341,995	347,016	(5,021)
Travel	1,055	5,819	(4,764)
Supplies	33,729	84,800	(51,071)
Contractual	61,665	87,180	(25,515)
Other	255,031	265,364	(10,333)
	<u>1,797,839</u>	<u>1,874,272</u>	<u>(76,433)</u>
Indirect costs	154,611	153,091	1,520
	<u>1,952,450</u>	<u>2,027,363</u>	<u>(74,913)</u>
Head Start Training and Technical Assistance (CAN No. 2009 G074120):			
Direct costs:			
Travel	9,107	5,618	3,489
Supplies	13,821	-	13,821
Contractual	8,224	20,467	(12,243)
Other	8,754	-	8,754
	<u>39,906</u>	<u>26,085</u>	<u>13,821</u>
Grantee share:			
Grantee (note 8)	479,320	489,832	(10,512)
Total expenses	<u>2,471,676</u>	<u>2,543,280</u>	<u>(71,604)</u>
	-	17,348	(17,348)
Transfer (to) from new program year	-	(17,348)	17,348
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

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

Schedule of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. 07CH6142/44			
For the Period December 1, 2009			
<u>through June 30, 2010</u>			
Revenues:			
Grant award – Department of Health and Human Services	\$ 1,992,621	1,181,025	811,596
Grantee provided support	498,155	353,764	144,391
Cardinal School reimbursement	-	37,608	(37,608)
Other income	-	5,614	(5,614)
Total revenues	2,490,776	1,578,011	912,765
Expenses:			
OHD share:			
Head Start full year – part day (CAN No. 2010 G074122):			
Direct costs:			
Personnel	1,129,403	678,528	450,875
Fringe benefits	374,562	214,291	160,271
Travel	2,000	1,831	169
Supplies	31,583	51,191	(19,608)
Contractual	43,669	82,872	(39,203)
Other	225,341	106,021	119,320
	1,806,558	1,134,734	671,824
Indirect costs	158,142	94,687	63,455
	1,964,700	1,229,421	735,279
Head Start Training and Technical Assistance (CAN No. 2010 G074120):			
Direct costs:			
Travel	9,193	2,813	6,380
Contractual	4,178	665	3,513
Other	14,550	8,696	5,854
	27,921	12,174	15,747
Grantee share:			
Grantee (note 9)	498,155	353,764	144,391
Total expenses	2,490,776	1,595,359	895,417
	-	(17,348)	17,348
Transfer (to) from old program year	-	17,348	(17,348)
Total	\$ -	-	-

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

Schedule of Revenues and Expenses

	Actual
Contract No. 90-8017	
For the Period October 1, 2008	
<u>Through September 30, 2009</u>	
Revenues:	
Iowa Department of Education	\$ 758,890
Co-fund revenue	57
	758,947
Expenses:	
Personnel costs	63,181
Fringe benefits	22,531
Travel	6,504
Space costs	1,481
Supplies	6,214
Printing/copier	6,151
Telephone	236
Postage/freight	2,857
Indirect costs	8,900
Other	4,143
Day care provider payments	636,749
Total expenses	758,947
Total	\$ -

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

Schedule of Revenues and Expenses

	Actual
Contract No. 90-8017	
For the Period October 1, 2009	
<u>through June 30, 2010</u>	
Revenues:	
Iowa Department of Education	\$ 533,482
Expenses:	
Personnel costs	50,728
Fringe benefits	15,853
Supplies	2,563
Travel	3,946
Space costs	1,032
Printing/copier	2,508
Telephone	127
Other	215
Postage and freight	2,404
Indirect costs	6,825
Day care provider payments	447,281
Total expenses	533,482
Total	\$ -

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
DRUG AND ALCOHOL
TREATMENT

Schedule of Revenues and Expenses

	Actual
Contract No. SIEDA - DPH	
For the Period July 1, 2009	
<u>through June 30, 2010</u>	
Revenues:	
Grant award – Iowa Division of Substance Abuse:	
Counseling	\$ 918,538
Federal Probation Revenue	36,891
Family Drug Court Initiative	14,256
OWI Class/Point 05	28,985
8th Judicial	19,202
Client fees/insurance proceeds	263,662
Other	10,796
Total revenues	1,292,330
Expenses:	
Salaries	486,319
Fringe benefits	151,118
Contractors	32,435
Other	4,039
Indirect costs	66,838
Insurance	4,779
Postage	2,681
Space	58,249
Supplies	56,915
Telephone	12,657
Travel	17,189
Total expenses	893,219
Transfer to administrative funds	(399,111)
Total	\$ -

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
DRUG AND ALCOHOL SERVICES
PREVENTION

Schedule of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. 5889CP21			
For the Period July 1, 2008			
<u>through June 30, 2009</u>			
Revenues:			
Grant award – Iowa Division of Substance Abuse			
– Prevention	\$ 138,757	137,029	1,728
– Disaster	25,000	23,293	1,707
Client fees	-	250	(250)
Miscellaneous income	-	6,173	(6,173)
Total revenues	163,757	166,745	(2,988)
Expenses:			
Salary/fringe	101,068	104,480	(3,412)
Other	26,587	27,098	(511)
Indirect costs	11,102	11,089	13
Disaster	25,000	24,078	922
Total expenses	163,757	166,745	(2,988)
 Total	 \$ -	 -	 -

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
FAMILY DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. CSBG-08-15-CL			
For the Period October 1, 2007			
<u>Through June 30, 2009</u>			
Revenues:			
Division of Community Action Agencies	\$ 356,728	356,728	-
Other income	-	244	(244)
	<u>356,728</u>	<u>356,972</u>	<u>(244)</u>
Expenses:			
Personnel costs	245,228	240,482	4,746
Travel	8,500	8,687	(187)
Space costs	32,408	35,649	(3,241)
Co-funded programs	4,000	4,400	(400)
Other costs	41,600	42,100	(500)
Indirect costs	24,992	25,654	(662)
Total expenses	<u>356,728</u>	<u>356,972</u>	<u>(244)</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>
Contract No. CSBG-09-15-CL			
For the Period October 1, 2008			
<u>Through June 30, 2010</u>			
Revenues:			
Division of Community Action Agencies	\$ 381,737	381,737	-
	<u>381,737</u>	<u>381,737</u>	<u>-</u>
Expenses:			
Personnel costs	266,234	276,511	(10,277)
Travel	8,500	6,502	1,998
Space costs	34,908	32,441	2,467
Co-funded programs	4,000	1,451	2,549
Other costs	39,100	34,310	4,790
Indirect costs	28,995	30,522	(1,527)
Total expenses	<u>381,737</u>	<u>381,737</u>	<u>-</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION
FAMILY DEVELOPMENT
COMMUNITY SERVICES BLOCK GRANT

Schedules of Revenues and Expenses Compared to Budget

	Approved Budget	Actual	(Over) Under Budget
Contract No. CSBG-10-15			
For the Period October 1, 2009			
<u>Through June 30, 2010</u>			
Revenues:			
Division of Community Action Agencies	\$ 381,737	17,334	364,403
	381,737	17,334	364,403
Expenses:			
Personnel costs	276,372	11,695	264,677
Travel	7,500	169	7,331
Space costs	32,500	739	31,761
Co-funded programs	2,000	62	1,938
Other costs	33,200	3,355	29,845
Indirect costs	30,165	1,314	28,851
Total expenses	381,737	17,334	364,403
Total	\$ -	-	-
Contract No. CSBG-R9-15			
For the Period April 10, 2009			
<u>Through June 30, 2010</u>			
Revenues:			
Division of Community Action Agencies	\$ 565,678	488,542	77,136
	565,678	488,542	77,136
Expenses:			
Personnel costs	180,196	126,755	53,441
Travel	4,000	1,516	2,484
Space costs	3,140	2,122	1,018
Co-funded programs	1,000	-	1,000
Other costs	12,500	2,436	10,064
Indirect costs	15,646	13,325	2,321
New CSBG ARRA Programs	349,196	342,388	6,808
Total expenses	565,678	488,542	77,136
Total	\$ -	-	-

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

Schedules of Revenues and Expenses Compared to Budget

	<u>Approved Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Contract No. FaDSS-10-15-FL			
For the Period July 1, 2009			
<u>through June 30, 2010</u>			
Revenues:			
Grant award – Iowa Department of Human Rights	\$ 360,336	313,843	46,493
Other income (in-kind)	200	-	200
	<u>360,536</u>	<u>313,843</u>	<u>46,693</u>
Expenses:			
Base:			
Administrative	28,460	26,988	1,472
Salaries	199,022	194,218	4,804
Benefits	63,744	62,145	1,599
Travel	8,668	8,853	(185)
Space/utilities	11,539	11,617	(78)
Other costs	12,869	10,022	2,847
	<u>324,302</u>	<u>313,843</u>	<u>10,459</u>
Local funds:			
Third party payments	<u>36,234</u>	<u>-</u>	<u>36,234</u>
Total expenses	<u>360,536</u>	<u>313,843</u>	<u>46,693</u>
Total	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

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

Independent Auditors' Report on Compliance with Requirements 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

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

June 30, 2010



122 South Main
Sigourney, IA 52591
(641)622-1013
Fax (641)622-2850
www.tdtpc.com

TD & T Financial Group, P.C.

Additional Offices:
Burlington
Cedar Rapids
Centerville
Fairfield
Mt. Pleasant
Oskaloosa
Ottumwa
Pella

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

Board of Directors
Southern Iowa Economic Development Association
Ottumwa, Iowa

We have audited the financial statements of the Southern Iowa Economic Development Association (SIEDA) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 1, 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 the Southern Iowa Economic Development Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of SIEDA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of SIEDA's internal control over financial reporting.

A deficiency in internal control 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 material weakness is a deficiency, or 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 was not designed to identify all deficiencies in internal control over financial reporting 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 Southern Iowa Economic Development Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of SIEDA in a separate letter dated November 1, 2010.

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

T&T Financial Group, P.C.

Sigourney, Iowa
November 1, 2010



122 South Main
Sigourney, IA 52591
(641)622-1013
Fax (641)622-2850
www.tdtpc.com

TD & T Financial Group, P.C.

Additional Offices:
Burlington
Cedar Rapids
Centerville
Fairfield
Mt. Pleasant
Oskaloosa
Ottumwa
Pella

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

Board of Directors
Southern Iowa Economic Development Association
Ottumwa, Iowa

Compliance

We have audited Southern Iowa Economic Development Association's compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that have a direct and material effect on each of their major federal programs for the year ended June 30, 2010. The Southern Iowa Economic Development Association's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Southern Iowa Economic Development Association's management. Our responsibility is to express an opinion on the Southern Iowa Economic Development Association's compliance based on our audit.

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

In our opinion, the Southern Iowa Economic Development Association complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Southern Iowa Economic Development Association is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Southern Iowa Economic Development Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Southern Iowa Economic Development Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 management, the Board of Directors, others within the entity, 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.

TDE&T Financial Group, P.C.

Sigourney, Iowa
November 1, 2010

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2010

Part I: Summary of Auditors' Audit Results:

Financial Statements

Auditor issued an unqualified report on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes no
 - Significant deficiency(ies) identified? _____ yes none reported
- Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes no
- Significant deficiency(ies) identified? _____ yes none reported

Auditor issued an unqualified opinion on compliance with requirements applicable to each major program.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

_____ yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
93.708	ARRA-Head Start
93.600	Head Start
93.710	ARRA- Community Services Block Grant
93.569	Community Services Block Grant
93.568	Low Income Home Energy Assistance
81.042	ARRA-Weatherization Assistance for Low-Income Persons
81.042	Weatherization Assistance for Low-Income Persons

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low risk auditee?

_____ yes no

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2010

Part II: Findings Related to the Financial Statements:

Significant Deficiencies:

None

Instances of Noncompliance:

None

Part III: Findings and Questioned Costs for Federal Awards:

Significant Deficiencies:

None

Instances of Noncompliance:

None

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Findings and Questioned Costs (Continued) For the Year Ended June 30, 2010

Summary Schedule of Prior Audit Findings

<u>Questioned Program</u>	<u>Findings/Noncompliance</u>	<u>Costs</u>
	Department of Health and Human Services and Department of Energy Home Energy Assistance Program – Weatherization-CFDA No. 93.568; Grant No. HEAP-08-15L and HEAP-09-15L; Grant periods ending December 31, 2008 and 2009. Weatherization Assistance for Low-Income Persons-CFDA No. 81.042; Grant No. DOE-08-15L and DOE-09-15L; Grant periods ending March 31, 2009 and 2011.	
2009-01	<p><u>Condition:</u> Upon re-inspection of homes weatherized by the Weatherization Program at SIEDA, the staff of the Iowa Department of Human Rights, Division of Community Action Agencies, determined that the Program was not in compliance with Section 18.0, Section 20.4, Section 22.0, and Section 29.0 of the contracts noted above. Sections 18.0 and 22.0 refer to OMB Circular A-122, “Cost Principles for Non-Profit Organizations” for the definition of allowable costs. Section 20.4 of the contracts noted above states: Reimbursement is allowed for actual expenses paid by the Contractor (SIEDA) for work that is done on a home before all work on the home is complete. Section 29.0 requires the final inspection of every home. OMB Circular A-122, in addition to the specific cost items listed in Section 18.0, in correlation with the findings of the re-inspections, lead us to conclude that the Program is not in compliance with the cost principles of this program.</p> <p><u>Criteria:</u> Only actual labor may be charged as a labor cost to this contract. Only actual expenditures for materials may be charged as a material cost to this contract. Only work that is done on a home can be an actual expense. Every home must be inspected prior to being considered complete. A home cannot be considered complete or reported to the Agency (DHR) as complete until the Contractor (SIEDA) has verified the satisfactory completion of all work done on the home by completing a final inspection of the work. The final inspection must not be done until all work on the home has been completed. A final inspection form must be completed for all homes inspected. The inspection form must be signed and dated by the person who conducted the final inspection. Every effort should be made to obtain the client’s signature on the form. The inspection form must not be signed until the final inspection has been conducted. Every effort must be made to fully inspect all homes that receive weatherization. Repeated efforts to inspect a home must be made. If a client or landlord refuses to allow the final inspector in the home to conduct the inspection, the Contractor (SIEDA) must document the efforts made to conduct the inspection. This documentation must be filed in the client file.</p>	

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

Summary Schedule of Prior
Audit Findings (Continued)

<u>Questioned Program</u>	<u>Findings/Noncompliance</u>	<u>Costs</u>
2009-01 (continued)	<p><u>Cause:</u> Inspections of homes were either not completed or not completed in accordance with the current Iowa Weatherization Program's requirements and work standards although the inspector had signed-off that the homes were complete. Approvals of requested changes to the work order were not appropriately approved and documented. Furnace and hot water heater repairs and replacement needs were not being determined by an independent evaluator.</p> <p><u>Effect:</u> Because inspection of homes was either not completed or not completed appropriately, change orders were not appropriately approved, nor were furnace and hot water heater replacements being determined by an independent evaluator, actual labor and materials appear to have been charged to the program when the work or materials were shoddy, not necessary, or nonexistent.</p> <p><u>Recommendation:</u> The Iowa Division of Community Action Agencies, a division of the Department of Human Rights, has provided documentation of the instances of noncompliance and have required a Corrective Plan of Action be developed and the necessary action be taken to correct the items discovered during re-inspection of the homes. We recommend that this happens in its entirety. We have noted that SIEDA has taken action to accomplish this by providing and implementing a Corrective Plan of Action while working diligently in cooperation with the Iowa Division of Community Action Agencies.</p> <p><u>Response:</u> SIEDA is working with the state and with their staff to implement corrections including rework of homes, re-inspections, and approval of homes. By the end of October 2009, SIEDA is well on their way to taking the necessary steps to correct all homes that required additional work and have provided draft policies and procedures to the State for approval and implementation so there will be compliance with the requirements of the grants in the future.</p>	

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

Summary Schedule of Prior
Audit Findings (Continued)

<u>Questioned Program</u>	<u>Findings/Noncompliance</u>	<u>Costs</u>
2009-01 (continued)	<p><u>Current Status:</u> SIEDA worked diligently in this fiscal year with the Iowa Division of Community Action Agencies, a division of the Department of Human Rights to revisit, reevaluate, rework, and retrain staff they had and train new staff and contractors while establishing new policies and procedures to ensure compliance with their Weatherization Programs. The oversight agency has been assisting SIEDA from every angle to ensure compliance. They are pleased with SIEDA's sense of urgency to address and take the necessary actions as stated in Corrective Plan of Action that was established the fall of 2009. SIEDA did not use additional federal or state funds during this fiscal year for administrative or support expenses during their corrective process for expenses incurred while they addressed the Plan. Expenses incurred have been recognized in the Agency Fund with an additional liability equal to the total estimated labor and material expenses on homes that were not in compliance as compiled by the Iowa Division of Community Action Agencies. There is active correspondence occurring regarding items included in the balance that may lead to partial recovery. SIEDA's proactive actions leave no known questioned costs or instances of noncompliance charged to the Weatherization Programs. There were no similar findings noted in the 2010 audit.</p>	
2009-02	<p><u>Condition:</u> Upon re-inspection of homes weatherized by the Weatherization Program at SIEDA, the staff of the Iowa Department of Human Rights, Division of Community Action Agencies, determined that the Program was not in compliance with Section 8.0 of the contracts noted above which states: the contractor shall comply with all applicable federal and state laws, rules, regulations, and requirements, including, but not limited to the following:</p> <p>Environmental Protection Agency (EPA) rule, 40 CFR Part 745, titled: Lead; Requirements for Hazard Education Before Renovation of Target Housing and Chapter 69 of the Iowa Administrative Code (IAC) that require persons who perform work on target housing to provide lead paint information pamphlets to the occupants of the homes prior to commencing work on the homes and requirements described in the Weatherization Work Standards, and Iowa Weatherization Program Notices and other directives.</p>	

(continued)

SOUTHERN IOWA ECONOMIC DEVELOPMENT ASSOCIATION

Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2010

Summary Schedule of Prior
Audit Findings (Continued)

<u>Questioned Program</u>	<u>Findings/Noncompliance</u>	<u>Costs</u>
2009-02 (continued)	<p><u>Criteria:</u> The re-inspections noted that the program is out of compliance with the State's lead safe work (LSW) practices requirement. Photos of lead safe work practices occurring are required to be in the house files to document the required procedures. No documentation was present.</p> <p><u>Cause:</u> SIEDA did not implement procedures to be in compliance with the requirements noted above.</p> <p><u>Effect:</u> Noncompliance with the State's lead safe work practice requirements can result in unsafe homes and penalties from the Department of Public Health.</p> <p><u>Recommendation:</u> Procedures must be implemented to assure compliance with Section 8.0 of the contracts noted above. We have noted that SIEDA has taken action to accomplish this by providing and implementing a Corrective Plan of Action and working diligently in cooperation with the Iowa Division of Community Action Agencies.</p> <p><u>Response:</u> SIEDA is working with the state and with their staff to implement corrections including rework of homes, re-inspections, and approval of homes. By the middle of October 2009, SIEDA is well on their way to taking the necessary steps to correct all homes that require additional lead safe work practices and have provided draft policies and procedures to the State for approval and implementation.</p> <p><u>Current Status:</u> New policies and procedures have been adopted at SIEDA. Training, retraining, and implementation of those policies and procedures, with the assistance and oversight of the Iowa Division of Community Action Agencies, has resulted in no similar findings noted during the June 30, 2010 audit.</p>	



TD&T Financial Group, P.C.

122 South Main Street
Sigourney, IA 52591
(641) 622-1013
Fax (641) 622-2850
www.tdtpc.com

Additional Offices:
Burlington
Cedar Rapids
Centerville
Fairfield
Mt. Pleasant
Oskaloosa
Ottumwa
Pella

November 01, 2010

To the Board of Directors
Southern Iowa Economic Development Association

We have audited the financial statements of Southern Iowa Economic Development Association (SIEDA) for the year ended June 30, 2010, and have issued our report thereon dated November 01, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *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 June 9, 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 the selection and use of appropriate accounting policies. The significant accounting policies used by SIEDA are described in Note 1 to the financial statements. This year, SIEDA, began recognizing accrued vacation and adjusted for recognition of depreciation expense. 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 were:

Management's estimate of accounts receivable and deferred revenue is based on incurring allowable program expenditures prior to year end. We evaluated the key factors and assumptions used to develop accounts receivable and deferred revenue in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation is based on estimated lives of the underlying assets and implementing a meaningful method of calculation. We evaluated the lives and method used to recognize depreciation to determine that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Contingencies in Note 17 to the financial statements is particularly sensitive because we cannot reasonably estimate what that contingency may be. It is related to the potential for liability related to a lawsuit filed by a prior Weatherization contractor.

The prior year findings are also sensitive because they relate to material weaknesses noted in the Weatherization program in the prior year.

Difficulties Encountered in Performing the Audit

We encountered difficulties in dealing with the prior fiscal officer while performing and completing our audit. This could be discussed with the Board of Directors, or a committee of it, upon their request, as we shared at the

Board of Directors' meeting October 25, 2010. We did not encounter difficulties dealing with any other management at SIEDA. They were very cooperative and helpful during the audit process.

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 schedule summarizes an uncorrected misstatement of the financial statements. Management has determined that the effect is immaterial, both individually and in the aggregate, to the 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 November 01, 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

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.

The following items are those that we concluded are inconsequential to our report, however, we would like to bring them to your attention as possible opportunities to improve:

We noted that the Head Start program does not document the attempt to procure medical and dental services for the children prior to incurring that cost within the program. We have suggested that the attempt be documented. Total medical and dental expense for the fiscal year is trivial to the program.

We noted one journal entry during our procedures that was not approved by the fiscal officer. We suggest all journal entries reviewed and approved by the fiscal officer. During our testing we noted no other entries that weren't approved.

We noted the indication of approval of two LIHEAP expenditures to be two separately colored checkmarks. We suggest SIEDA only use initials to indicate approval so the person approving can easily be identified if necessary.

We noted one timesheet not approved of the sample we tested. We saw compensating procedures being performed, but suggest all timesheets indicate the proper approval of the person providing oversight to the employee.

This information is intended solely for the use of The Board of Directors and management of SIEDA and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

TD&T Financial Group, P.C.