

IOWA NORTHLAND REGIONAL
COUNCIL OF GOVERNMENTS

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

JUNE 30, 2011

- Prepared By -

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IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS

MEMBERS

<u>Name</u>	<u>Representing</u>	<u>Name</u>	<u>Representing</u>
Mark Schildroth, Chair	Grundy County	Dave Swenumson	City of Ionia
Maurice Welsh, Vice-Chair	City of Fairbank	Jim MacKay	City of Janesville
Darwin Sittig, Secretary	City of New Hampton	Dick Quackenbush	City of Jesup
Jon Crews, Treasurer	City of Cedar Falls	Rick Lubben	City of LaPorte City
Karl Nelson	Butler County	Alfred Hotchkiss	City of Lamont
Scot Henrichs	City of Allison	Linda Anderson	City of Lawler
Linda Kobliska	City of Alta Vista	Larry Sager	City of Morrison
Jason Mehmen	City of Aplington	John Phyfe	City of Nashua
Virgil Homer	City of Aredale	David Geerts	City of North Washington
Richard Roepke	City of Aurora	Jason Byrne	Chickasaw County
Ann Smith	City of Beaman	John Anderson	City of New Hartford
Robert Bearbower	City of Brandon	Perry Bernard	City of Parkersburg
Dennis Peterson	City of Bristow	Vacant	City of Parkersburg
David Kelm	City of Clarksville	Tom Geise	City of Plainfield
H. Gregg Sharp	City of Conrad	Lee Bossom	City of Quasqueton
Mike Isaacson	City of Denver	Monte Johnson	City of Raymond
Mike Soppe	City of Dike	Herb Clemen	City of Readlyn
Stan Van Hauen	City of Dike	Lon Larsen	City of Reinbeck
Vacant	City of Dumont	Rita Knutson	City of Rowley
Michael Schares	City of Dunkerton	Larry Young	City of Shell Rock
William Henninger II	City of Elk Run Heights	Rodger Sill	City of Stanley
Chad Deutsch	City of Evansdale	Andy Loop	City of Stout
Bryan O'Day	City of Fredericksburg	Gary Walke	City of Sumner
Deesa Gaetzke	City of Frederika	Madeleine Ambrose	City of Tripoli
Harry Fischels	City of Gilbertville	Buck Clark	City of Waterloo
William Christensen	City of Greene	Frank Magsamen	Black Hawk County
Rex Van Wert	City of Grundy Center	Bob Brunkhorst	City of Waverly
Wayne Holliday	City of Hazleton	Steve Reuter	Bremer County
Marc Lamfers	City of Holland	Dale Van Hauen	City of Wellsburg
Bernie Jensen	City of Hudson	Gerald Dennie	City of Winthrop
Carl Scharff	City of Independence		
Ralph Kremer	Buchanan County		



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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2011. These financial statements are the responsibility of INRCOG's management. My responsibility is to express opinions on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of INRCOG as of June 30, 2011, and the respective changes in financial position and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 8, 2011 on my consideration of INRCOG's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

Management's Discussion and Analysis on pages 4 through 6 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. Other supplementary information included in Schedules 1 through 4, including the Schedule of Expenses of Federal Awards required by U. S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in my audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

December 8, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Iowa Northland Regional Council of Governments (INRCOG) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. I encourage readers to consider this information in conjunction with INRCOG's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- INRCOG's operating revenues decreased 7.8%, or \$575,925, from fiscal 2010 to fiscal 2011. Federal and state funds decreased due to fewer funds for individuals and businesses impacted by the floods of 2008.
- INRCOG's operating expenses were 0.7%, or \$48,949 less in fiscal 2011 than in fiscal 2010 due mainly to decreased expenses for flood programs.
- INRCOG's net assets increased 2.2%, or \$83,391, from June 30, 2010 to June 30, 2011.

USING THIS ANNUAL REPORT

The Iowa Northland Regional Council of Governments is a 28E organization and presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. This discussion and analysis are intended to serve as an introduction to INRCOG's basic financial statements. The annual report consists of a series of financial statements and other information, as follows:

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

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

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

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

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

Supplementary information provides detailed information about the revenues, expenses and changes in net assets, in addition to providing detailed information about the grant activity. In addition, the Schedule of Expenses of Federal Awards provides details of various federal programs benefiting the Agency.

FINANCIAL ANALYSIS OF THE AGENCY

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of INRCOG's financial position. INRCOG's net assets for fiscal 2011 totaled approximately \$3,834,397. This compares to approximately \$3,751,006 at the end of fiscal 2010. A summary of INRCOG's net assets is presented below.

Net Assets		June 30,	
	2011	2010	
Current assets	\$2,274,572	\$2,511,285	
Non-current assets	193,041	81,469	
Capital assets at cost, less accumulated depreciation	<u>2,214,012</u>	<u>2,399,279</u>	
Total assets	<u>\$4,681,625</u>	<u>\$4,992,033</u>	
Current liabilities	<u>\$ 847,228</u>	<u>\$1,241,027</u>	
Net assets:			
Reserved	\$ 602,246	\$ 940,220	
Unreserved	<u>3,232,151</u>	<u>2,810,786</u>	
Total net assets	<u>\$3,834,397</u>	<u>\$3,751,006</u>	

Statement of Revenues, Expenses and Changes in Net Assets

Operating revenues are received from federal grants, state grants, and other local sources. Operating expenses are to operate the transit systems and programs. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues, expenses and changes in net assets for the years ended June 30, 2011 and 2010 are presented below:

Changes in Net Assets		Year Ended June 30,	
	2011	2010	
Operating Revenues			
Grants	\$3,951,950	\$4,928,136	
Program reimbursements and other local sources	<u>2,842,018</u>	<u>2,441,757</u>	
Total operating revenues	<u>\$6,793,968</u>	<u>\$7,369,893</u>	
Operating Expenses	<u>6,719,310</u>	<u>6,768,259</u>	
Operating Income	<u>\$ 74,658</u>	<u>\$ 601,634</u>	
Non-operating revenues (expenses):			
Interest income	\$ 14,232	\$ 15,413	
Interest expense	(5,081)	(4,998)	
Gain (loss) on sale of fixed assets	(418)	14,635	
Net non-operating revenues (expenses)	<u>\$ 8,733</u>	<u>\$ 25,050</u>	
Changes in net assets	\$ 83,391	\$ 626,684	
Net assets beginning of year	<u>3,751,006</u>	<u>3,124,322</u>	
Net assets end of year	<u>\$3,834,397</u>	<u>\$3,751,006</u>	

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

- Net assets for the year increased \$83,391. This increase was due to the increase in federal capital grants.
- INRCOG's operating expenses (without depreciation) were \$6,450,404 and operating revenues were \$6,793,968. With depreciation, the total expenses were \$6,719,310 and operating revenues remained at \$6,793,968.
- State funds and federal funds for the year totaled \$3,951,950. These same funding sources for the previous fiscal year totaled \$4,928,136. These same funding sources are projected to decrease from fiscal year 2011 to fiscal year 2012 due to decreased funds available for flood recovery.

Statement of Cash Flows

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

CAPITAL ASSETS

At June 30, 2011, INRCOG had approximately \$2,214,012 invested in capital assets, net of accumulated depreciation of approximately \$1,163,444. Depreciation expense totaled \$268,906 for fiscal year 2011. More detailed information about INRCOG's capital assets is presented in Note 4 to the financial statements.

ECONOMIC FACTORS

The Iowa Northland Regional Council of Government's Board of Directors (with input from local elected officials and citizens) considered various factors when setting the fiscal year 2012 budget and fees that will be charged for agency activities. INRCOG general operations are expected to remain consistent with the previous year, but could vary according to contracts received during the year.

CONTACTING INRCOG'S FINANCIAL MANAGEMENT

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 146,945	\$1,395,240	\$1,542,185
Investments (at cost)	241,648	-	241,648
Accounts receivable	95,060	364,085	459,145
Notes receivable	-	28,262	28,262
Prepaid expenses	-	3,332	3,332
Total current assets	<u>\$ 483,653</u>	<u>\$1,790,919</u>	<u>\$2,274,572</u>
Noncurrent assets:			
Notes receivable	\$ -	\$ 193,041	\$ 193,041
Fixed assets:			
Furniture and equipment	\$ 57,731	\$ 131,157	\$ 188,888
Vehicles - unrestricted	130,891	-	130,891
Vehicles - restricted	1,146,579	-	1,146,579
Building and improvements	-	1,911,098	1,911,098
Total	<u>\$1,335,201</u>	<u>\$2,042,255</u>	<u>\$3,377,456</u>
Less accumulated depreciation	(817,787)	(345,657)	(1,163,444)
Net fixed assets	<u>\$ 517,414</u>	<u>\$1,696,598</u>	<u>\$2,214,012</u>
Total assets	<u>\$1,001,067</u>	<u>\$3,680,558</u>	<u>\$4,681,625</u>
LIABILITIES:			
Current liabilities:			
Trade accounts payable	\$ 68,494	\$ 15,630	\$ 84,124
Line of credit	-	56,300	56,300
Accrued wages and payroll taxes payable	5,887	39,491	45,378
Accrued benefits payable	27,423	216,793	244,216
Unearned revenue	-	417,210	417,210
Total current liabilities	<u>\$ 101,804</u>	<u>\$ 745,424</u>	<u>\$ 847,228</u>
NET ASSETS:			
Reserved (Note 2)	\$ 484,394	\$ 117,852	\$ 602,246
Unreserved	414,869	2,817,282	3,232,151
Total net assets	<u>\$ 899,263</u>	<u>\$2,935,134</u>	<u>\$3,834,397</u>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 YEAR ENDED JUNE 30, 2011

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
OPERATING REVENUES:			
Federal funds	\$ 337,343	\$2,452,932	\$2,790,275
State funds	304,919	856,756	1,161,675
Local funds:			
Contract revenue	1,065,457	1,624,061	2,689,518
Membership revenue	-	94,135	94,135
Document fee	-	582	582
In kind	-	44,000	44,000
Miscellaneous	1,471	12,312	13,783
Total operating revenues	<u>\$1,709,190</u>	<u>\$5,084,778</u>	<u>\$6,793,968</u>
OPERATING EXPENSES:			
Salaries and fringe benefits	\$ -	\$1,206,147	\$1,206,147
Drivers' salaries and benefits	215,335	-	215,335
Travel	-	39,122	39,122
Meals	-	6,807	6,807
Seminars	410	3,242	3,652
Telephone/internet	698	1,743	2,441
Awards	225	-	225
Contracted services	249,175	2,434,197	2,683,372
Office supplies	562	1,992	2,554
Miscellaneous	60	483	543
Postage	1,265	7,101	8,366
Bad debt	12	2,710	2,722
Copy expense	2,938	15,581	18,519
Advertising and notices	2,519	3,407	5,926
Professional memberships	2,544	1,150	3,694
Recording fees	-	721	721
Administrative overhead	47,647	285,387	333,034
Transportation cost	1,078,838	-	1,078,838
Provision for forgivable loan	-	850,945	850,945
Administrative expense - INRHC	-	1,892	1,892
Relocation	-	12,211	12,211
Insurance	25,929	-	25,929
Depreciation	193,460	-	193,460
Legal and accounting	16,585	355	16,940
Equipment maintenance	-	4,091	4,091
Radio service	1,824	-	1,824
Total operating expenses	<u>\$1,840,026</u>	<u>\$4,879,284</u>	<u>\$6,719,310</u>

(continued)

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Operating Income (loss)	\$ (130,836)	\$ 205,494	\$ 74,658
Non-operating revenues (expenses):			
Interest income	\$ 6,160	\$ 8,072	\$ 14,232
Interest expense	-	(5,081)	(5,081)
Operating transfer in	-	40,356	40,356
Operating transfer out	(40,356)	-	(40,356)
Gain (loss) on sale of fixed assets	1,028	(1,446)	(418)
Net non-operating revenues (expenses)	<u>\$ (33,168)</u>	<u>\$ 41,901</u>	<u>\$ 8,733</u>
Change in net assets	\$ (164,004)	\$ 247,395	\$ 83,391
Net assets beginning of year	<u>1,063,267</u>	<u>2,687,739</u>	<u>3,751,006</u>
Net assets end of year	<u>\$ 899,263</u>	<u>\$2,935,134</u>	<u>\$3,834,397</u>

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2011

	<u>Iowa Northland</u>		
	<u>Regional</u>	<u>Council</u>	
	<u>Transit</u>	<u>of</u>	
	<u>Commission</u>	<u>Governments</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from membership revenue	\$ -	\$ 94,135	\$ 94,135
Cash received from contract fees	1,052,465	1,757,235	2,809,700
Cash received from miscellaneous sources	1,471	12,894	14,365
Cash received from state operating grants	304,919	856,756	1,161,675
Cash received from federal operating grants	289,352	2,607,964	2,897,316
Cash paid for salaries and benefits	(212,514)	(1,195,431)	(1,407,945)
Cash paid for administration	(1,471,556)	(3,986,669)	(5,458,225)
Net cash provided (used) by operating activities	<u>\$ (35,863)</u>	<u>\$ 146,884</u>	<u>\$ 111,021</u>
Cash flows from noncapital financing activities:			
Cash received from line of credit	\$ -	\$ 723,345	\$ 723,345
Cash used to repay line of credit	-	(774,804)	(774,804)
Net cash provided (used) for noncapital financing activities	<u>\$ -</u>	<u>\$ (51,459)</u>	<u>\$ (51,459)</u>
Cash flows from capital and related financing activities:			
Cash received from federal capital grants	\$ 47,991	\$ -	\$ 47,991
Net acquisition of fixed assets	(57,821)	(28,795)	(86,616)
Net cash (used) for capital and related financing activities	<u>\$ (9,830)</u>	<u>\$ (28,795)</u>	<u>\$ (38,625)</u>
Cash flows from investing activities:			
Cash paid for investments	\$ (4,493)	\$ -	\$ (4,493)
Interest received	6,160	8,072	14,232
Net cash provided by investing activities	<u>\$ 1,667</u>	<u>\$ 8,072</u>	<u>\$ 9,739</u>
Net increase (decrease) in cash	\$ (44,026)	\$ 74,702	\$ 30,676
Cash and cash equivalents beginning of year	190,971	1,320,538	1,511,509
Cash and cash equivalents end of year	<u>\$ 146,945</u>	<u>\$ 1,395,240</u>	<u>\$ 1,542,185</u>
Reconciliation of net transactions to net cash provided (used) by operating activities:			
Net transactions	\$ (164,004)	\$ 247,395	\$ 83,391
Adjustments for long-term non-cash items:			
Depreciation	193,460	-	193,460
Gain (loss) on sale of assets	1,028	(1,446)	(418)
Revenues and expenses not classified as operating	(54,831)	(40,123)	(94,954)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivables and notes	(12,992)	288,206	275,214
(Increase) decrease in prepaid expenses	-	(3,332)	(3,332)
(Decrease) increase in accounts payable	(1,345)	(200,881)	(202,226)
(Decrease) increase in accrued wages payable	(4,353)	13,658	9,305
(Decrease) increase in accrued benefits payable	7,174	(2,942)	4,232
(Decrease) in unearned revenue	-	(153,651)	(153,651)
Net cash provided (used) by operating activities	<u>\$ (35,863)</u>	<u>\$ 146,884</u>	<u>\$ 111,021</u>
Supplemental disclosure of cash flow information:			
Interest paid	\$ -	\$ 5,081	\$ 5,081

See Notes to Financial Statements.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(1) Organization

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

Reporting Entity

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

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

(b) Basis of Presentation

The accounts of INRCOG are organized as an Enterprise Fund. Enterprise Funds are used to account for operations (a) financed and operated in a manner similar to private business enterprises, where the intent of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(2) Summary of Significant Accounting Policies - continued

(c) Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

INRCOG applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

INRCOG distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the INRCOG's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(d) Assets, Liabilities and Net Assets

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

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

Investments - Investments are stated at cost which approximates market.

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

Capital Assets - Capital assets are accounted for at historical cost. Depreciation of all exhaustible capital assets is charged as an expense against operations. The cost of repair and maintenance is charged to expense while the cost of renewals or substantial betterments is capitalized. The cost and accumulated depreciation of assets disposed of are deleted, with any gain or loss recorded in current operations.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011

(2) Summary of Significant Accounting Policies - continued

Reportable capital assets are defined by INRCOG as assets with initial, individual costs in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Furniture and Equipment	\$ 250
Vehicles	500
Moving Costs	500
Leasehold Improvements	500
Building and Improvements	500

Capital assets of INRCOG are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful lives (In years)</u>
Furniture and Equipment	5
Vehicles	5
Moving Costs	5
Leasehold Improvements	5-39
Building and Improvements	5-39

Accrued Benefits Payable - Accrued benefits payable are earned vacation and sick leave and have been accrued as liabilities on the statement of net assets. These current liabilities have been computed based on rates of pay in effect at June 30, 2011.

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

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

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

(3) Cash and Pooled Investments

INRCOG's deposits in banks at June 30, 2011 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

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

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011

(3) Cash and Pooled Investments - continued

INRCOG had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by statement No. 40.

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

(4) Capital Assets

Capital assets activity for the year ended June 30, 2011 was as follows:

<u>Iowa Northland Regional Council of Governments</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 129,529	\$ 22,941	\$ 21,313	\$ 131,157
Building and improvements	1,905,243	5,855	-	1,911,098
Total	<u>\$2,034,772</u>	<u>\$ 28,796</u>	<u>\$ 21,313</u>	<u>\$2,042,255</u>

<u>Iowa Northland Regional Transit Commission</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 64,686	\$ -	\$ 6,955	\$ 57,731
Vehicles - unrestricted	129,170	9,830	8,109	130,891
Vehicles - restricted	1,132,450	47,991	33,862	1,146,579
Total	<u>\$1,326,306</u>	<u>\$ 57,821</u>	<u>\$ 48,926</u>	<u>\$1,335,201</u>

Depreciation activity for the year ended June 30, 2011 was as follows:

<u>Iowa Northland Regional Council of Governments</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 84,502	\$ 17,918	\$ 18,683	\$ 83,737
Building and improvements	204,392	57,528	-	261,920
Total	<u>\$ 288,894</u>	<u>\$ 75,446</u>	<u>\$ 18,683</u>	<u>\$ 345,657</u>

**IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011**

(4) Capital Assets - continued

<u>Iowa Northland Regional Transit Commission</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Furniture and equipment	\$ 62,513	\$ 1,738	\$ 6,607	\$ 57,644
Vehicles - unrestricted	91,076	14,991	8,109	97,958
Vehicles - restricted	<u>519,316</u>	<u>176,731</u>	<u>33,862</u>	<u>662,185</u>
Total	<u>\$ 672,905</u>	<u>\$193,460</u>	<u>\$ 48,578</u>	<u>\$ 817,787</u>

(5) Pension and Retirement Benefits

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

Plan members are required to contribute 4.50% of their annual covered salary and INRCOG is required to contribute 6.95% of covered salary. Contribution requirements are established by state statute. INRCOG's contributions to IPERS for the years ended June 30, 2011, 2010 and 2009 were \$84,363, \$78,198 and \$63,509, respectively, equal to the required contributions for each year.

(6) Other Postemployment Benefits (OPEB)

Plan Description - The Agency operates a single-employer retiree benefit plan which provides medical/prescription drug benefits for retirees and their spouses. There are 19 active and no retired members in the plan. Participants must be age 55 or older at retirement.

The medical/prescription drug coverage is provided through a fully-insured plan with Wellmark. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the Agency. The Agency currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the Agency and plan members are \$242 for single coverage and \$696 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2011, the Agency contributed \$105,498 and plan members eligible for benefits contributed \$38,318 to the plan.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

(7) **Risk Management**

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

(8) **Short-Term Notes Payable - Line of Credit**

The Agency has an unsecured line of credit agreement with a bank which provides it may borrow up to \$500,000 at a variable rate of interest. The line of credit is used for the jumpstart program expenditures. Line of credit activity for the year ended June 30, 2011 is as follows:

Balance			Balance
Beginning	Advances	Advances	End
of year	Received	Repaid	of year
<u>\$107,759</u>	<u>\$723,345</u>	<u>\$774,804</u>	<u>\$ 56,300</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM NET ASSETS
JUNE 30, 2011

	<u>Housing Trust Funds</u>	<u>Other Programs</u>	<u>Total</u>
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 319,322	\$1,075,918	\$1,395,240
Accounts receivable	-	364,085	364,085
Notes receivable	26,174	2,088	28,262
Prepaid expenses	-	3,332	3,332
Total current assets	<u>\$ 345,496</u>	<u>\$1,445,423</u>	<u>\$1,790,919</u>
Noncurrent assets:			
Notes receivable	<u>\$ 90,688</u>	<u>\$ 102,353</u>	<u>\$ 193,041</u>
Fixed assets:			
Furniture and equipment	\$ -	\$ 131,157	\$ 131,157
Building and improvements	-	1,911,098	1,911,098
Total	<u>\$ -</u>	<u>\$2,042,255</u>	<u>\$2,042,255</u>
Less accumulated depreciation	-	(345,657)	(345,657)
Net fixed assets	<u>\$ -</u>	<u>\$1,696,598</u>	<u>\$1,696,598</u>
Total assets	<u>\$ 436,184</u>	<u>\$3,244,374</u>	<u>\$3,680,558</u>
LIABILITIES:			
Current liabilities:			
Trade accounts payable	\$ -	\$ 15,630	\$ 15,630
Line of credit	-	56,300	56,300
Accrued wages and payroll taxes	-	39,491	39,491
Accrued benefits payable	-	216,793	216,793
Unearned revenue	318,332	98,878	417,210
Total current liabilities	<u>\$ 318,332</u>	<u>\$ 427,092</u>	<u>\$ 745,424</u>
NET ASSETS:			
Reserved (Note 2)	\$ 117,852	\$ -	\$ 117,852
Unreserved	-	2,817,282	2,817,282
Total net assets	<u>\$ 117,852</u>	<u>\$2,817,282</u>	<u>\$2,935,134</u>

See Accompanying Independent Auditor's Report.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Admini- stration</u>	<u>Technical Assistance</u>	<u>IFA LIHTC 2</u>	<u>Sumner Rehab</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	-	13,717	5,951	7,762
Membership revenue	-	18,658	-	-
Document Fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	937	-	-
Total operating revenues	<u>\$ -</u>	<u>\$ 33,312</u>	<u>\$ 5,951</u>	<u>\$ 7,762</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 1,748	\$ (40,787)	\$ 2,001	\$ 5,795
Travel	-	2,024	36	332
Meals	-	169	-	-
Seminar	-	923	-	-
Telephone/internet	-	68	-	4
Contracted services	-	-	-	-
Office supplies	-	190	-	-
Miscellaneous	-	-	-	125
Postage	-	258	1	84
Bad debt expense	-	-	-	-
Copy expense	-	473	5	56
Advertising and notices	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	-	(8,047)	472	1,366
Provision for forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	180	-	-
Total operating expenses	<u>\$ 1,748</u>	<u>\$ (44,549)</u>	<u>\$ 2,515</u>	<u>\$ 7,762</u>
Operating income	<u>\$ (1,748)</u>	<u>\$ 77,861</u>	<u>\$ 3,436</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ 3,737	\$ -	\$ -
Interest expense	-	-	-	-
Agency interfund transfer	210,233	(81,598)	(3,436)	-
Loss on sale of fixed assets	(1,446)	-	-	-
Operating transfer in	40,356	-	-	-
Total non-operating revenues (expenses)	<u>\$ 249,143</u>	<u>\$ (77,861)</u>	<u>\$ (3,436)</u>	<u>\$ -</u>
Change in net assets	\$ 247,395	\$ -	\$ -	\$ -
Net assets beginning of year	<u>2,687,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets end of year	<u>\$2,935,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

<u>BHCSWC</u>	<u>Housing Council</u>	<u>Contractors Bond</u>	<u>Readlyn Rehab</u>	<u>Jesup HMP</u>	<u>COG Assistance</u>	<u>INREDC</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,000
-	-	-	-	-	-	-
16,572	1,601	-	6,933	120	10,294	-
-	-	-	-	-	-	17,000
-	291	-	-	-	-	-
-	-	-	-	-	-	44,000
-	-	11,375	-	-	-	-
<u>\$ 16,572</u>	<u>\$ 1,892</u>	<u>\$ 11,375</u>	<u>\$ 6,933</u>	<u>\$ 120</u>	<u>\$ 10,294</u>	<u>\$ 122,000</u>
\$ 13,144	\$ 2,297	\$ 4,013	\$ 5,262	\$ 98	\$ 9,029	\$ 62,099
231	-	-	167	-	-	3,553
-	-	-	-	-	-	509
525	-	-	60	-	-	697
-	-	1	2	-	-	10
-	-	-	-	-	-	44,000
-	-	-	-	-	-	-
-	-	-	125	-	-	-
18	4	494	43	-	-	41
-	-	-	-	-	-	-
35	8	167	34	-	-	97
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,097	541	946	1,240	23	2,128	14,634
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 17,050</u>	<u>\$ 2,850</u>	<u>\$ 5,621</u>	<u>\$ 6,933</u>	<u>\$ 121</u>	<u>\$ 11,157</u>	<u>\$ 125,640</u>
<u>\$ (478)</u>	<u>\$ (958)</u>	<u>\$ 5,754</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (863)</u>	<u>\$ (3,640)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41
-	-	-	-	-	-	-
478	958	(5,754)	-	1	863	3,599
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 478</u>	<u>\$ 958</u>	<u>\$ (5,754)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 863</u>	<u>\$ 3,640</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011**

	<u>RTC</u>	<u>Cedar Valley Marketing</u>	<u>Nashua Jumpstart CDBG</u>	<u>INRCOG Housing RLF</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	258,573	50,108	11,414	-
Membership revenue	-	-	-	-
Document fee	-	-	-	291
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$258,573</u>	<u>\$ 50,108</u>	<u>\$ 11,414</u>	<u>\$ 291</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$202,195	\$ -	\$ 8,948	\$ 537
Travel	3,651	-	325	-
Meals	23	-	-	-
Seminar	85	-	-	-
Telephone/internet	698	-	2	-
Contracted services	-	50,108	-	6,132
Office supplies	85	-	7	95
Miscellaneous	225	-	-	-
Postage	944	-	5	56
Bad debt expense	-	-	-	2,710
Copy expense	2,938	-	18	8
Advertising and notices	33	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	47,648	-	2,109	127
Provision for forgivable loan	-	-	-	(12,060)
Administrative expense - INRHC	-	-	-	1,892
Equipment maintenance	48	-	-	-
Legal and accounting	-	-	-	175
Total operating expenses	<u>\$258,573</u>	<u>\$ 50,108</u>	<u>\$ 11,414</u>	<u>\$ (328)</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 619</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ 2,889
Interest expense	-	-	-	-
Agency intrafund transfer	-	-	-	(3,508)
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (619)</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

<u>Quasqueton CDBG</u>	<u>Safe Routes to School</u>	<u>New Hartford Buyout</u>	<u>Greene Rehab General Admin</u>	<u>Bremer Butler Rehab TA & LBP</u>	<u>EDA Waverly Dam</u>	<u>FEMA</u>	<u>BHCGA Direct</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
5,651	24,311	10,254	183	33,727	2,313	-	2,631
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,651</u>	<u>\$ 24,311</u>	<u>\$ 10,254</u>	<u>\$ 183</u>	<u>\$33,727</u>	<u>\$ 2,313</u>	<u>\$ -</u>	<u>\$ 2,631</u>
\$ 4,483	\$ -	\$ 8,232	\$ 159	\$ 1,372	\$ 1,830	\$ 1,058	\$ 451
76	-	39	-	161	21	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2	-	2	-	-	493
-	24,311	-	-	1,002	-	-	-
-	-	-	-	-	-	-	657
-	-	-	-	-	-	-	-
11	-	26	-	9	30	58	468
-	-	-	-	-	-	-	-
25	-	15	-	1	1	36	234
-	-	-	-	-	-	-	-
-	-	-	-	18	-	-	-
-	-	-	-	-	-	-	-
1,056	-	1,940	37	323	431	249	106
-	-	-	-	31,181	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 5,651</u>	<u>\$ 24,311</u>	<u>\$ 10,254</u>	<u>\$ 196</u>	<u>\$34,069</u>	<u>\$ 2,313</u>	<u>\$ 1,401</u>	<u>\$ 2,409</u>
\$ -	\$ -	\$ -	\$ (13)	\$ (342)	\$ -	\$ (1,401)	\$ 222
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	13	342	-	1,401	(222)
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 342</u>	<u>\$ -</u>	<u>\$ 1,401</u>	<u>\$ (222)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011**

	<u>Iowa Helping Iowans</u>	<u>Safety Program</u>	<u>Federal J/S 1- SFNC 1</u>	<u>Waverly Buyout</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$177,698	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	411,378	30,000	-	11,339
Membership revenue	-	-	-	-
Document Fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$411,378</u>	<u>\$ 30,000</u>	<u>\$177,698</u>	<u>\$ 11,339</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 3,828	\$ 23,864	\$ 8,234	\$ 9,137
Travel	9	1,074	261	45
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	1	2	4	2
Contracted services	328,431	-	165,702	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	93	66	22	32
Bad debt expense	-	-	-	-
Copy expense	59	136	154	48
Advertising and notices	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	77	-	72	-
Relocation	-	-	-	-
Allocated administrative services	902	5,624	1,940	2,153
Provision for forgivable loan	78,616	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$412,016</u>	<u>\$ 30,766</u>	<u>\$176,389</u>	<u>\$ 11,417</u>
Operating income	<u>\$ (638)</u>	<u>\$ (766)</u>	<u>\$ 1,309</u>	<u>\$ (78)</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ 67	\$ -	\$ -
Interest expense	-	-	(1,337)	-
Agency intrafund transfer	638	699	28	78
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ 638</u>	<u>\$ 766</u>	<u>\$ (1,309)</u>	<u>\$ 78</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

<u>Nashua Rehab- General Admin</u>	<u>BHCSWMC- Direct</u>	<u>Black Hawk Co. Buyout</u>	<u>Stout CDBG</u>	<u>Aplington Rehab- General Admin</u>	<u>Waterloo EDA Comm Lift Station</u>	<u>CV Coalition</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
5,268	589	11,910	4,756	4,713	1,033	20,423
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,268</u>	<u>\$ 589</u>	<u>\$ 11,910</u>	<u>\$ 4,756</u>	<u>\$ 4,713</u>	<u>\$ 1,033</u>	<u>\$ 20,423</u>
\$ 4,299	\$ -	\$ 9,591	\$ 3,800	\$ 3,812	\$ 841	\$ -
-	-	-	59	-	-	2,329
-	-	-	-	-	-	5,304
-	-	-	-	-	-	-
1	3	1	-	1	-	-
-	-	-	-	-	-	12,621
-	204	-	-	-	-	56
-	-	-	-	-	-	-
29	186	28	1	19	-	33
-	-	-	-	-	-	-
10	196	30	-	11	1	79
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,013	-	2,260	896	898	198	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 5,352</u>	<u>\$ 589</u>	<u>\$ 11,910</u>	<u>\$ 4,756</u>	<u>\$ 4,741</u>	<u>\$ 1,040</u>	<u>\$ 20,422</u>
<u>\$ (84)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28)</u>	<u>\$ (7)</u>	<u>\$ 1</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154
-	-	-	-	-	-	-
84	-	-	-	28	7	(155)
-	-	-	-	-	-	-
<u>\$ 84</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 7</u>	<u>\$ (1)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	Waterloo CDBG Comm Lift Station	Waterloo CDBG Res Lift Station	West Elementary - Davis Bacon	MPO/TIP
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ 5,243
State funds	-	-	-	-
Local funds:				
Contract revenue	874	472	7,500	-
Membership revenue	-	-	-	1,310
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 874</u>	<u>\$ 472</u>	<u>\$ 7,500</u>	<u>\$ 6,553</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 707	\$ 380	\$ 5,196	\$ 5,160
Travel	-	-	60	10
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	7	-
Contracted services	-	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	3	14	8
Bad debt expense	-	-	-	-
Copy expense	-	-	8	117
Advertising and notices	-	-	-	43
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	167	89	1,225	1,216
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 874</u>	<u>\$ 472</u>	<u>\$ 6,510</u>	<u>\$ 6,554</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 990</u>	<u>\$ (1)</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	-	-	(990)	1
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (990)</u>	<u>\$ 1</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

<u>MPO/TPWP</u>	<u>MPO/PPP</u>	<u>MPO/LRP</u>	<u>MPO/SRP</u>	<u>CDBG Business Rental Assistance</u>	<u>Quasqueton HMP</u>	<u>University Ave Study</u>
\$ 1,291	\$ 574	\$ 46,816	\$109,142	\$ 479,434	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	125	21,532
322	143	11,706	27,288	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,613</u>	<u>\$ 717</u>	<u>\$ 58,522</u>	<u>\$136,430</u>	<u>\$ 479,434</u>	<u>\$ 125</u>	<u>\$ 21,532</u>
\$ 1,303	\$ 561	\$ 45,719	\$105,196	\$ 24,456	\$ 103	\$ -
-	-	556	2,081	81	-	-
-	-	21	182	-	-	-
-	25	-	143	-	-	-
-	-	10	15	1	-	-
-	-	-	30	449,039	-	21,532
-	-	-	85	-	-	-
-	-	-	-	-	-	-
-	-	155	199	72	-	-
-	-	-	-	-	-	-
4	-	292	909	21	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
307	132	10,774	24,790	5,763	24	-
-	-	-	-	-	-	-
-	-	995	2,800	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,614</u>	<u>\$ 718</u>	<u>\$ 58,522</u>	<u>\$136,430</u>	<u>\$ 479,433</u>	<u>\$ 127</u>	<u>\$ 21,532</u>
<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (2)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -
-	-	-	-	-	-	-
1	1	-	-	(21)	2	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 2</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	State Jumpstart <u>III</u>	Waverly Amvets <u> </u>	<u>RTA/TIP</u>	<u>RTA/TPWP</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ 5,461	\$ 847
State funds	24,999	-	-	-
Local funds:				
Contract revenue	-	2,296	-	-
Membership revenue	-	-	1,367	211
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 24,999</u>	<u>\$ 2,296</u>	<u>\$ 6,828</u>	<u>\$ 1,058</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ -	\$ 1,683	\$ 5,119	\$ 856
Travel	-	122	2	-
Meals	-	-	8	-
Seminar	-	-	-	-
Telephone/internet	-	-	-	-
Contracted services	-	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	21	33	-
Bad debt expense	-	-	-	-
Copy expense	-	10	120	-
Advertising and notices	-	63	340	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	-	397	1,206	202
Provision for forgivable loan	24,999	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 24,999</u>	<u>\$ 2,296</u>	<u>\$ 6,828</u>	<u>\$ 1,058</u>
Operating income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	-	-	-	-
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

<u>RTA/PPP</u>	<u>RTA/LRP</u>	<u>RTA/SRP</u>	<u>Waverly Comp Plan</u>	<u>DPH Nutrition & Activity II</u>	<u>MAPS</u>	<u>Readlyn Rehab - TA & LBP</u>
\$ 1,276	\$ 22,738	\$ 40,505	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	35,850	12,187	2,235	3,684
318	5,685	10,127	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,594</u>	<u>\$ 28,423</u>	<u>\$ 50,632</u>	<u>\$ 35,850</u>	<u>\$ 12,187</u>	<u>\$ 2,235</u>	<u>\$ 3,684</u>
\$ 1,320	\$ 22,628	\$ 38,908	\$ 21,278	\$ 1,764	\$ 938	\$ 1,980
-	271	917	450	-	-	134
-	22	11	-	-	-	-
25	-	(28)	-	-	-	-
-	1	11	-	-	-	-
-	-	-	60	10,000	-	1,035
-	-	-	182	-	-	-
-	-	-	-	-	-	-
-	49	162	-	7	5	40
-	-	-	-	-	-	-
-	121	482	550	-	2	29
-	-	-	32	-	-	-
-	-	1,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
311	5,332	9,169	5,014	416	221	467
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,656</u>	<u>\$ 28,424</u>	<u>\$ 50,632</u>	<u>\$ 27,566</u>	<u>\$ 12,187</u>	<u>\$ 1,166</u>	<u>\$ 3,685</u>
<u>\$ (62)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 8,284</u>	<u>\$ -</u>	<u>\$ 1,069</u>	<u>\$ (1)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
62	1	-	(8,284)	-	(1,069)	1
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 62</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (8,284)</u>	<u>\$ -</u>	<u>\$ (1,069)</u>	<u>\$ 1</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011**

	<u>IWE 00/BHC Solid Waste Commission</u>	<u>Reinbeck Rehab - General Admin</u>	<u>Shell Rock CDBG Buyout</u>	<u>Greene CDBG Buyout</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	93,875	-	-	-
Local funds:				
Contract revenue	-	5,121	4,375	3,029
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total	<u>\$ 93,875</u>	<u>\$ 5,121</u>	<u>\$ 4,375</u>	<u>\$ 3,029</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 74,464	\$ 4,160	\$ 3,213	\$ 2,248
Travel	4,831	-	49	49
Meals	392	-	-	-
Seminar	402	-	-	-
Telephone/internet	165	2	1	1
Contracted services	-	-	200	-
Office supplies	4	-	20	20
Miscellaneous	-	-	-	-
Postage	20	54	33	20
Bad debt expense	-	-	-	-
Copy expense	40	6	37	17
Advertising and notices	-	-	65	144
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated Administrative services	17,548	980	757	530
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 97,866</u>	<u>\$ 5,202</u>	<u>\$ 4,375</u>	<u>\$ 3,029</u>
Operating income	<u>\$ (3,991)</u>	<u>\$ (81)</u>	<u>\$ -</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	3,991	81	-	-
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ 3,991</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

Sumner Rehab TA & LBP	Waverly CDBG Supplemental	Greene Rehab TA & LBP	Evansdale CDBG Buyouts	Buchanan Co HMP	Elk Run Heights HMP	Waterloo HMP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
3,950	4,674	5,074	4,025	12,969	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,950</u>	<u>\$ 4,674</u>	<u>\$ 5,074</u>	<u>\$ 4,025</u>	<u>\$ 12,969</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,305	\$ 3,686	\$ 2,828	\$ 3,071	\$ 10,045	\$ 620	\$ 544
278	21	99	42	153	19	-
-	-	-	-	8	-	-
1	4	-	-	-	-	-
1,380	-	371	100	-	-	-
-	-	-	20	-	-	-
-	-	-	-	-	-	-
8	2	1	38	12	7	6
-	-	-	-	-	-	-
20	31	-	30	214	11	13
-	61	(11)	-	170	14	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
650	-	1,161	-	-	-	-
308	869	667	724	2,367	146	128
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,950</u>	<u>\$ 4,674</u>	<u>\$ 5,116</u>	<u>\$ 4,025</u>	<u>\$ 12,969</u>	<u>\$ 817</u>	<u>\$ 691</u>
\$ -	\$ -	\$ (42)	\$ -	\$ -	\$ (817)	\$ (691)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	42	-	-	817	691
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 817</u>	<u>\$ 691</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	Solid Waste Comp Plan	Region V Citizens Corp 07	Region V Homeland Security 07	Region V LETPP 07
OPERATING REVENUES:				
Federal funds	\$ -	\$ 765	\$ 71,759	\$ 7,437
State funds	-	-	-	-
Local funds:				
Contract revenue	34,940	-	-	-
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 34,940</u>	<u>\$ 765</u>	<u>\$ 71,759</u>	<u>\$ 7,437</u>
EXPENSES:				
Salaries and fringe benefits	\$ 10,870	\$ -	\$ 7,771	\$ -
Travel	5	-	74	-
Meals	11	-	-	-
Seminar	-	-	50	-
Telephone/internet	6	-	9	-
Contracted services	-	765	61,873	7,437
Office supplies	8	-	-	-
Miscellaneous	-	-	-	-
Postage	37	-	26	-
Bad debt expense	-	-	-	-
Copy expense	172	-	85	-
Advertising and notices	8	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated Administrative services	2,562	-	1,831	-
Provision for forgivable loan	-	-	-	-
Administrative expense - INRHC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 13,679</u>	<u>\$ 765</u>	<u>\$ 71,719</u>	<u>\$ 7,437</u>
Operating income	<u>\$ 21,261</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ 2	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	(21,261)	-	(42)	-
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ (21,261)</u>	<u>\$ -</u>	<u>\$ (40)</u>	<u>\$ -</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

Region VI Citizens Corp 07	Region VI Homeland Security 07	Federal J/S 2-SFNC 2	MET-MR Waiver	DPH Nutrition & Activity	Hickory Hills Safe Room	Nashua HMP
\$ 2,347	\$ 6,599	\$ 245,647	\$ -	\$ 3,770	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	1,560	-	1,224	5,905
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,347</u>	<u>\$ 6,599</u>	<u>\$ 245,647</u>	<u>\$ 1,560</u>	<u>\$ 3,770</u>	<u>\$ 1,224</u>	<u>\$ 5,905</u>
\$ -	\$ 4,054	\$ 18,996	\$ 904	\$ 520	\$ 949	\$ 5,765
-	60	1,397	-	39	24	344
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	7	-	-	-	-
2,347	1,636	218,538	-	3,144	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4	357	-	-	2	23
-	-	-	-	-	-	-
-	13	857	80	-	25	52
-	-	-	-	-	-	71
-	-	-	-	-	-	-
-	-	62	-	-	-	-
-	-	-	-	-	-	-
-	955	4,477	213	122	224	1,358
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,347</u>	<u>\$ 6,722</u>	<u>\$ 244,691</u>	<u>\$ 1,197</u>	<u>\$ 3,825</u>	<u>\$ 1,224</u>	<u>\$ 7,613</u>
<u>\$ -</u>	<u>\$ (123)</u>	<u>\$ 956</u>	<u>\$ 363</u>	<u>\$ (55)</u>	<u>\$ -</u>	<u>\$ (1,708)</u>
\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(956)	-	-	-	-
-	122	-	(363)	55	-	1,708
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 123</u>	<u>\$ (956)</u>	<u>\$ (363)</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 1,708</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Butler EDSA</u> <u>Allan Inc</u>	<u>Aplington</u> <u>Rehab</u> <u>TA & LBP</u>	<u>RBEG -</u> <u>Parkersburg</u>	<u>Nashua</u> <u>Rehab</u> <u>TA & LBP</u>
OPERATING REVENUES:	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	88	14,284	7,416	17,352
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 88</u>	<u>\$ 14,284</u>	<u>\$ 7,416</u>	<u>\$17,352</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 72	\$ 6,042	\$ -	\$ 5,328
Travel	-	619	-	847
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	7	-	11
Contracted services	-	3,560	7,416	5,445
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	90	-	222
Bad debt expense	-	-	-	-
Copy expense	-	63	-	104
Advertising and notices	-	-	-	19
Professional memberships	-	30	-	30
Recording fees	-	-	-	-
Relocation	-	2,449	-	4,091
Allocated administrative services	17	1,424	-	1,255
Provision for forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 89</u>	<u>\$ 14,284</u>	<u>\$ 7,416</u>	<u>\$17,352</u>
Operating income	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	1	-	-	-
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating				
revenues (expenses)	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

BHC Iowa Jobs	Shell Rock Rehab - Gen Admin	Shell Rock Rehab - TA LBP	Chickasaw Co HMP	Dunkerton Zoning	Lamont HMP	Reinbeck Rehab -TA & LBP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
1,170	22	6,222	161	38	164	14,503
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,170</u>	<u>\$ 22</u>	<u>\$ 6,222</u>	<u>\$ 161</u>	<u>\$ 38</u>	<u>\$ 164</u>	<u>\$ 14,503</u>
\$ 563	\$ 51	\$ 3,922	\$ 131	\$ 28	\$ 134	\$ 5,849
-	-	262	-	-	-	719
-	-	-	-	-	-	-
-	-	6	-	-	-	8
-	-	1,035	-	-	-	4,815
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3	-	40	-	1	-	128
-	-	-	-	-	-	-
3	-	33	-	-	-	87
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
133	12	924	31	7	32	1,519
-	-	-	-	-	-	1,378
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 702</u>	<u>\$ 63</u>	<u>\$ 6,222</u>	<u>\$ 162</u>	<u>\$ 36</u>	<u>\$ 166</u>	<u>\$ 14,503</u>
\$ 468	\$ (41)	\$ -	\$ (1)	\$ 2	\$ (2)	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
(468)	41	-	1	(2)	2	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ (468)</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (2)</u>	<u>\$ 2</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Butler Co Comp Plan</u>	<u>Prairie Pathways</u>	<u>Parkersburg Fringe Area</u>	<u>BHC CDBG Buyout</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$107,007	\$ -	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	5,263	-	2,083	7,364
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 5,263</u>	<u>\$107,007</u>	<u>\$ 2,083</u>	<u>\$ 7,364</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 2,632	\$ 543	\$ 1,474	\$ 5,723
Travel	154	-	95	35
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	2	1
Contracted services	-	106,456	-	100
Office supplies	-	-	5	46
Miscellaneous	-	-	-	-
Postage	-	1	7	58
Bad debt expense	-	-	-	-
Copy expense	44	-	65	38
Advertising and notices	117	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	14
Relocation	-	-	-	-
Allocated administrative services	620	128	347	1,349
Provision of forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 3,567</u>	<u>\$107,128</u>	<u>\$ 1,995</u>	<u>\$ 7,364</u>
Operating income	<u>\$ 1,696</u>	<u>\$ (121)</u>	<u>\$ 88</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	(1,696)	121	(88)	-
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ (1,696)</u>	<u>\$ 121</u>	<u>\$ (88)</u>	<u>\$ -</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

Region 6 Homeland Security 2009	USDA HPG	Federal J/S 2 - SNFC 3	WSR Schools Safe Room	Laporte City CDBG Buyout	CV Marketing #2	Independence HMP
\$ 7,579	\$ 43,141	\$ 4,539	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	4,303	2,117	18,516	249
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 7,579</u>	<u>\$ 43,141</u>	<u>\$ 4,539</u>	<u>\$ 4,303</u>	<u>\$ 2,117</u>	<u>\$ 18,516</u>	<u>\$ 249</u>
\$ 3,589	\$ 2,932	\$ 3,357	\$ 3,448	\$ 1,614	\$ -	\$ 5,359
106	280	264	24	35	-	75
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5	1	-	-	1	-	1
2,944	-	-	-	-	18,516	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13	8	4	11	9	-	10
-	-	-	-	-	-	-
30	10	1	8	5	-	55
45	-	122	-	70	-	19
-	-	-	-	-	-	-
-	54	-	-	-	-	-
-	-	-	-	-	-	-
846	691	791	812	381	-	1,263
-	37,561	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 7,578</u>	<u>\$ 41,537</u>	<u>\$ 4,539</u>	<u>\$ 4,303</u>	<u>\$ 2,115</u>	<u>\$ 18,516</u>	<u>\$ 6,782</u>
\$ 1	\$ 1,604	\$ -	\$ -	\$ 2	\$ -	\$ (6,533)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
(1)	(1,604)	-	-	(2)	-	6,533
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ (1)</u>	<u>\$ (1,604)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ 6,533</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>LaPorte City Demo</u>	<u>Greene Demo</u>	<u>BHC-CDBG McFarlane Park</u>	<u>RBEG- Zoning</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	11,242	7,263	3,701	5,280
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 11,242</u>	<u>\$ 7,263</u>	<u>\$ 3,701</u>	<u>\$ 5,280</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 8,641	\$ 5,572	\$ 2,930	\$ 3,753
Travel	275	179	5	91
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	7	5	-	-
Contracted services	-	-	-	-
Office supplies	-	10	-	-
Miscellaneous	-	-	-	-
Postage	29	36	17	21
Bad debt expense	-	-	-	-
Copy expense	62	73	31	236
Advertising	192	74	28	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	2,036	1,313	690	885
Provision of forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 11,242</u>	<u>\$ 7,262</u>	<u>\$ 3,701</u>	<u>\$ 4,986</u>
Operating income	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 294</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	-	(1)	-	(294)
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (294)</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

McFarlane Park Safe Room	RBEG Subdivision	Housing Trust Fund #7 (11/12)	EDA Disaster Recovery	Clarksville CDGB Supplemental	Housing Trust Fund V (09-10)	Grundy Co HMP
\$ -	\$ -	\$ -	\$ 88,510	\$ -	\$ -	\$ -
-	-	-	-	-	19,440	-
69	2,025	25,309	-	6,803	-	11,931
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 69</u>	<u>\$ 2,025</u>	<u>\$ 25,309</u>	<u>\$ 88,510</u>	<u>\$ 6,803</u>	<u>\$ 19,440</u>	<u>\$ 11,931</u>
\$ 56	\$ 1,494	\$ 240	\$ 70,908	\$ 5,324	\$ 4,917	\$ 9,643
-	62	-	1,192	33	1,111	-
-	-	-	84	-	50	-
-	-	-	-	-	150	-
-	-	-	7	2	19	1
-	-	25,000	-	-	-	-
-	-	-	-	7	-	-
-	-	-	-	-	-	-
-	-	3	9	52	88	7
-	-	-	-	-	-	-
-	31	-	72	44	15	8
-	-	9	-	86	-	-
-	-	-	-	-	-	-
-	-	-	-	-	55	-
-	-	-	-	-	-	-
13	352	57	16,710	1,255	1,159	2,272
-	-	-	-	-	12,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 69</u>	<u>\$ 1,939</u>	<u>\$ 25,309</u>	<u>\$ 88,982</u>	<u>\$ 6,803</u>	<u>\$ 19,564</u>	<u>\$ 11,931</u>
\$ -	\$ 86	\$ -	\$ (472)	\$ -	\$ (124)	\$ -
\$ -	\$ -	\$ 124	\$ 157	\$ -	\$ 29	\$ -
-	-	-	-	-	-	-
-	(86)	(124)	315	-	95	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (86)</u>	<u>\$ -</u>	<u>\$ 472</u>	<u>\$ -</u>	<u>\$ 124</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Butler Co</u>	<u>Hudson</u>	<u>State</u>	<u>Enhancement</u>
	<u>HMP</u>	<u>HMP</u>	<u>Jumpstart</u>	<u>Silos &</u>
			<u>II -</u>	<u>Smokestacks</u>
			<u>Housing</u>	
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	547,859	-
Local funds:				
Contract revenue	1,186	2,060	-	14,052
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 1,186</u>	<u>\$ 2,060</u>	<u>\$ 547,859</u>	<u>\$ 14,052</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 953	\$ 4,486	\$ 13,155	\$ 2,320
Travel	-	8	15	-
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	-	1	-
Contracted services	-	-	75,368	11,075
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	8	-	43	28
Bad debt expense	-	-	-	-
Copy expense	5	20	319	51
Advertising and notices	-	15	-	43
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	225	1,057	3,100	547
Provision of forgivable loan	-	-	456,935	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 1,191</u>	<u>\$ 5,586</u>	<u>\$ 548,936</u>	<u>\$ 14,064</u>
Operating income	<u>\$ (5)</u>	<u>\$ (3,526)</u>	<u>\$ (1,077)</u>	<u>\$ (12)</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ 36	\$ -
Interest expense	-	-	(33)	-
Agency intrafund transfer	5	3,526	1,074	12
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating				
revenues (expenses)	<u>\$ 5</u>	<u>\$ 3,526</u>	<u>\$ 1,077</u>	<u>\$ 12</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(continued)

SCHEDULE 2
(continued)

<u>Federal Jumpstart I Projects</u>	<u>Bremer Co HMP</u>	<u>FHLB - AHP</u>	<u>EDA RLF</u>	<u>Federal Jumpstart II General Admin</u>	<u>Federal Jumpstart II Projects</u>	<u>Fairbank HMP</u>
\$ 378,053	\$ -	\$ -	\$ 100,720	\$ 1,339	\$ 308,450	\$ -
-	-	-	-	-	-	-
-	14,245	121,316	-	-	-	281
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 378,053</u>	<u>\$ 14,245</u>	<u>\$ 121,316</u>	<u>\$ 100,720</u>	<u>\$ 1,339</u>	<u>\$ 308,450</u>	<u>\$ 281</u>
\$ 9,176	\$ 11,414	\$ 1,668	\$ 948	\$ 1,090	\$ 45,649	\$ 230
42	32	641	194	-	773	-
-	-	-	-	-	13	-
-	-	-	-	-	185	-
3	-	7	-	-	21	-
363,042	-	60	-	-	247,598	-
-	-	-	-	-	-	-
-	-	-	8	-	-	-
99	22	38	1	-	533	-
-	-	-	-	-	-	-
248	27	5	8	-	1,526	-
-	60	-	-	-	24	-
60	-	-	-	-	30	-
77	-	(27)	-	-	63	-
1,494	-	-	-	-	847	-
2,162	2,690	393	223	257	10,757	54
-	-	115,284	-	-	-	-
-	-	-	-	-	-	-
-	-	-	248	-	-	-
-	-	-	-	-	-	-
<u>\$ 376,403</u>	<u>\$ 14,245</u>	<u>\$ 118,069</u>	<u>\$ 1,630</u>	<u>\$ 1,347</u>	<u>\$ 308,019</u>	<u>\$ 284</u>
\$ 1,650	\$ -	\$ 3,247	\$ 99,090	\$ (8)	\$ 431	\$ (3)
\$ -	\$ -	\$ 98	\$ -	\$ -	\$ -	\$ -
(2,324)	-	-	-	-	(431)	-
674	-	(3,345)	(99,090)	8	-	3
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ (1,650)</u>	<u>\$ -</u>	<u>\$ (3,247)</u>	<u>\$ (99,090)</u>	<u>\$ 8</u>	<u>\$ (431)</u>	<u>\$ 3</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	<u>Hazelton HMP</u>	<u>Chickasaw Zoning</u>	<u>Aurora HMP</u>	<u>LaPorte City Buyout</u>
OPERATING REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State funds	-	-	-	-
Local funds:				
Contract revenue	281	6,273	200	928
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total operating revenues	<u>\$ 281</u>	<u>\$ 6,273</u>	<u>\$ 200</u>	<u>\$ 928</u>
OPERATING EXPENSES:				
Salaries and fringe benefits	\$ 230	\$ 4,367	\$ 164	\$ 745
Travel	-	476	-	-
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	21	-	-
Contracted services	-	-	-	-
Office supplies	-	-	-	-
Miscellaneous	-	-	-	-
Postage	-	3	-	8
Bad debt expense	-	-	-	-
Copy expense	-	196	-	10
Advertising and notices	-	-	-	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative service	54	1,029	39	176
Provision of forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total operating expenses	<u>\$ 284</u>	<u>\$ 6,092</u>	<u>\$ 203</u>	<u>\$ 939</u>
Operating income	<u>\$ (3)</u>	<u>\$ 181</u>	<u>\$ (3)</u>	<u>\$ (11)</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	3	(181)	3	11
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ 3</u>	<u>\$ (181)</u>	<u>\$ 3</u>	<u>\$ 11</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

SCHEDULE 2
(continued)

Evansdale Buyout	Shell Rock Buyout	Greene Buyout	Shell Rock Demo	New Hartford Demo	Waverly CDGB Buyouts	Waverly Demo	Black Hawk Co Demo
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,154	967	1,274	3,903	20,921	21,905	43,786	22,470
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,154</u>	<u>\$ 967</u>	<u>\$ 1,274</u>	<u>\$ 3,903</u>	<u>\$ 20,921</u>	<u>\$ 21,905</u>	<u>\$ 43,786</u>	<u>\$ 22,470</u>
\$ 861	\$ 781	\$ 971	\$ 2,806	\$ 16,342	\$ 16,808	\$ 33,705	\$ 17,373
3	-	45	243	243	254	534	108
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1	1	1	10	4	14	5
-	-	-	-	-	100	-	-
-	-	-	-	50	144	61	10
-	-	-	-	-	-	-	-
8	6	10	51	73	204	163	183
-	-	-	-	-	-	-	-
19	6	24	105	197	430	755	351
59	-	-	53	155	-	611	346
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
203	184	229	661	3,851	3,961	7,943	4,094
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,153</u>	<u>\$ 978</u>	<u>\$ 1,280</u>	<u>\$ 3,920</u>	<u>\$ 20,921</u>	<u>\$ 21,905</u>	<u>\$ 43,786</u>	<u>\$ 22,470</u>
\$ 1	\$ (11)	\$ (6)	\$ (17)	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
(1)	11	6	17	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ (1)</u>	<u>\$ 11</u>	<u>\$ 6</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PROGRAM REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2011

	Parkersburg 14/57 <u>Selection</u>	Cedar Falls CDBG	Evansdale Demo	Region 6 Citizens Corp '08
OPERATING REVENUES				
Federal funds	\$ -	\$ -	\$ -	\$ 25,607
State funds	-	-	-	-
Local funds:				
Contract revenue	4,500	8,970	6,780	-
Membership revenue	-	-	-	-
Document fee	-	-	-	-
In-kind	-	-	-	-
Miscellaneous	-	-	-	-
Total	<u>\$ 4,500</u>	<u>\$ 8,970</u>	<u>\$ 6,780</u>	<u>\$ 25,607</u>
EXPENSES:				
Salaries and fringe benefits	\$ 2,837	\$ 7,036	\$ 5,239	\$ -
Travel	67	32	91	-
Meals	-	-	-	-
Seminar	-	-	-	-
Telephone/internet	-	2	-	-
Contracted services	-	-	-	25,607
Office supplies	-	7	-	-
Miscellaneous	-	-	-	-
Postage	1	22	32	-
Bad debt expense	-	-	-	-
Copy expense	5	72	149	-
Advertising and notices	-	141	24	-
Professional memberships	-	-	-	-
Recording fees	-	-	-	-
Relocation	-	-	-	-
Allocated administrative services	668	1,658	1,235	-
Provision of forgivable loan	-	-	-	-
Administrative expense - INHRC	-	-	-	-
Equipment maintenance	-	-	-	-
Legal and accounting	-	-	-	-
Total	<u>\$ 3,578</u>	<u>\$ 8,970</u>	<u>\$ 6,770</u>	<u>\$ 25,607</u>
Operating income	<u>\$ 922</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ -</u>
Non-operating revenues (expenses):				
Interest income	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Agency intrafund transfer	(922)	-	(10)	-
Loss on sale of fixed assets	-	-	-	-
Operating transfer in	-	-	-	-
Total non-operating revenues (expenses)	<u>\$ (922)</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ -</u>
Change in net assets	\$ -	\$ -	\$ -	\$ -
Net assets beginning of year	-	-	-	-
Net assets end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Accompanying Independent Auditor's Report.

SCHEDULE 2
(continued)

Region 6 Homeland Security '08	Stanley HMP	Parkersburg CDBG	Beaman CDBG	Housing Trust Fund VI (10/11)	Blackhawk County Reap Plan	Total
\$ 97,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,452,932
-	-	-	-	170,583	-	856,756
-	125	5,058	9,053	-	310	1,624,061
-	-	-	-	-	-	94,135
-	-	-	-	-	-	582
-	-	-	-	-	-	44,000
-	-	-	-	-	-	12,312
<u>\$ 97,638</u>	<u>\$ 125</u>	<u>\$ 5,058</u>	<u>\$ 9,053</u>	<u>\$ 170,583</u>	<u>\$ 310</u>	<u>\$ 5,084,778</u>
\$ 7,846	\$ 103	\$ 4,019	\$ 7,133	\$ 15,918	\$ 867	\$ 1,206,147
205	-	32	116	1,944	-	39,122
-	-	-	-	-	-	6,807
-	-	-	-	-	-	3,242
3	-	-	1	26	-	1,743
87,671	-	-	-	36,595	-	2,434,197
-	-	12	7	-	-	1,992
-	-	-	-	-	-	483
12	-	13	13	179	4	7,101
-	-	-	-	-	-	2,710
165	-	35	40	387	65	15,581
-	-	-	62	-	-	3,407
-	-	-	-	-	-	1,150
-	-	-	-	256	-	721
-	-	-	-	-	-	12,211
1,849	24	947	1,681	3,751	204	285,387
-	-	-	-	106,429	-	850,945
-	-	-	-	-	-	1,892
-	-	-	-	-	-	4,091
-	-	-	-	-	-	355
<u>\$ 97,751</u>	<u>\$ 127</u>	<u>\$ 5,058</u>	<u>\$ 9,053</u>	<u>\$ 165,485</u>	<u>\$ 1,140</u>	<u>\$ 4,879,284</u>
\$ (113)	\$ (2)	\$ -	\$ -	\$ 5,098	\$ (830)	\$ 205,494
\$ 4	\$ -	\$ -	\$ -	\$ 713	\$ -	\$ 8,072
-	-	-	-	-	-	(5,081)
109	2	-	-	(5,811)	830	-
-	-	-	-	-	-	(1,446)
-	-	-	-	-	-	40,356
<u>\$ 113</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,098)</u>	<u>\$ 830</u>	<u>\$ 41,901</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 247,395
-	-	-	-	-	-	2,687,739
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,935,134</u></u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
 STATEMENT OF SELECTED PROJECT COSTS AND COMPUTATION OF SELECTED PROJECT GRANTS
 YEAR ENDED JUNE 30, 2011

	STA Special Project	STA Operating Assistance FY2011	Operating 18-0029- 070-11	Capital 04-0113- 070-11
Operating Expenses:				
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	52,200	263,159	867,825	-
Commodities	-	-	-	-
Capital Outlay	-	-	-	57,821
Prior Year	10,600	-	-	-
Project Cost	<u>\$62,800</u>	<u>\$ 263,159</u>	<u>\$ 867,825</u>	<u>\$ 57,821</u>
Grant Participation in Project Cost	<u>80%</u>	<u>100%</u>	<u>50%</u>	<u>83%</u>
Percentage Participation	<u>\$50,240</u>	<u>\$ 263,159</u>	<u>\$ 433,912</u>	<u>\$ 47,991</u>
Contract Amount	<u>\$57,600</u>	<u>\$ 275,148</u>	<u>\$ 288,286</u>	<u>\$ 73,040</u>
Permissible Grant (Lesser of Contract Amount or Percentage Participation)	\$50,240	\$ 263,159	\$ 288,286	\$ 47,991
Less: Grant Payments received in current year	(41,760)	(263,159)	(288,286)	(47,991)
Less: Grant Payments received in prior year	(8,480)	-	-	-
Grant Receivable/(Payable) at June 30, 2011	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

<u>11-RPA-R07</u>	<u>11-MPO- INRCOG</u>	<u>10-MPO- INRCOG</u>	<u>10-RPA-R07</u>	<u>Region V 2007 Homeland Security</u>	<u>Region VI 2007 Homeland Security</u>	<u>Region VI 2008 Homeland Security</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
88,534	203,833	-	-	80,727	8,946	110,722
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	184,947	90,419	218,680	356,076	9,801
\$ 88,534	\$ 203,833	\$ 184,947	\$ 90,419	\$ 299,407	\$ 365,022	\$ 120,523
80%	80%	80%	80%	100%	100%	100%
<u>\$ 70,827</u>	<u>\$ 163,066</u>	<u>\$ 147,958</u>	<u>\$ 72,334</u>	<u>\$ 299,407</u>	<u>\$ 365,022</u>	<u>\$ 120,523</u>
<u>\$ 77,709</u>	<u>\$ 221,859</u>	<u>\$ 217,939</u>	<u>\$ 78,444</u>	<u>\$ 303,462</u>	<u>\$ 365,145</u>	<u>\$ 133,926</u>
\$ 70,827	\$ 163,066	\$ 147,958	\$ 72,334	\$ 299,407	\$ 365,022	\$ 120,523
(54,716)	(112,392)	(24,756)	(38,723)	(253,194)	(50,165)	(116,911)
-	-	(123,202)	(33,611)	(46,213)	(311,116)	-
<u>\$ 16,111</u>	<u>\$ 50,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,741</u>	<u>\$ 3,612</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF SELECTED PROJECT COSTS AND COMPUTATION OF SELECTED PROJECT GRANTS
YEAR ENDED JUNE 30, 2011

	Region VI			
	2009			
	Homeland Security	CDBG 08-DRH-201	CDBG 08-DRH-001	CDBG 08-DRB-206
Operating Expenses:				
Personal Services	\$ -	\$ -	\$ -	\$ -
Contractual Services	7,579	558,636	555,751	479,434
Commodities	-	-	-	-
Capital Outlay	-	-	-	-
Prior Year	-	16,245	964,901	361,598
Project Cost	\$ 7,579	\$ 574,881	\$1,520,652	\$ 841,032
Grant Participation in Project Cost	100%	100%	100%	100%
Percentage Participation	<u>\$ 7,579</u>	<u>\$ 574,881</u>	<u>\$1,520,652</u>	<u>\$ 841,032</u>
Contract Amount	<u>\$267,116</u>	<u>\$5,835,496</u>	<u>\$2,277,643</u>	<u>\$1,616,326</u>
Permissible Grant (Lesser of Contract Amount or Percentage Participation)	\$ 7,579	\$ 574,881	\$1,520,652	\$ 841,032
Less: Grant Payments received in current year	(2,865)	(480,330)	(681,055)	(458,204)
Less: Grant Payments received in prior year	-	(6,665)	(813,381)	(361,598)
Grant Receivable/(Payable) at June 30, 2011	<u>\$ 4,714</u>	<u>\$ 87,886</u>	<u>\$ 26,216</u>	<u>\$ 21,230</u>

See Accompanying Independent Auditor's Report.

SCHEDULE 3
(continued)

<u>EDA</u> <u>05-83-04426</u>	<u>EDA</u> <u>05-69-04687</u>	<u>EDA</u> <u>05-83-04982</u>	<u>IDPH</u> <u>05880B01</u>	<u>USDA</u> <u>HPG</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
101,630	88,552	125,640	997	49,313	3,643,478
-	-	-	-	-	-
-	-	-	-	-	57,821
-	211,490	-	8,924	7,499	2,441,180
<u>\$ 101,630</u>	<u>\$ 300,042</u>	<u>\$ 125,640</u>	<u>\$ 9,921</u>	<u>\$ 56,812</u>	<u>\$ 6,142,479</u>
100%	100%	50%	100%	100%	
<u>\$ 101,630</u>	<u>\$ 300,042</u>	<u>\$ 62,820</u>	<u>\$ 9,921</u>	<u>\$ 56,812</u>	<u>\$ 5,509,808</u>
<u>\$ 750,000</u>	<u>\$ 300,000</u>	<u>\$ 61,000</u>	<u>\$ 100,235</u>	<u>\$ 56,812</u>	<u>\$13,357,186</u>
\$ 101,630	\$ 300,000	\$ 61,000	\$ 9,921	\$ 56,812	\$ 5,362,320
(125,000)	(30,001)	(61,000)	-	(50,200)	(3,180,708)
-	(269,999)	-	(14,000)	-	(1,988,265)
<u>\$ (23,370)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,079)</u>	<u>\$ 6,612</u>	<u>\$ 193,347</u>

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENSES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

<u>GRANTOR/PROGRAM</u>	<u>CFDA NUMBER</u>	<u>AGENCY PASS-THROUGH NUMBER</u>	<u>PROGRAM EXPENSES</u>
Direct:			
Department of Commerce:			
Economic Development Administration:			
Planning Grant	11.302	05-83-04982	\$ 61,000
Economic Adjustment Disaster Recovery	11.307	05-69-04687	88,510
Total Direct Awards			<u>\$ 149,510</u>
Indirect:			
Department of Agriculture:			
Rural Development:			
Housing Preservation Grant	10.433	HPG	<u>\$ 56,812</u>
Department of Housing and Urban Development:			
Iowa Department of Economic Development:			
Black Hawk County:			
Community Development Block Grant Program	14.228	08-DRH-001	\$ 555,751
	14.228	08-DRH-201	558,635
	14.228	08-DRB-206	479,434
			<u>\$1,593,820</u>
Department of Transportation:			
Iowa Department of Transportation:			
Metropolitan Intermodal Planning	20.205	11-RPA-R07	\$ 45,154
	20.205	11-MPO-R07	163,066
	20.205	STP-E-PA30(111) -8V-07	85,605
			<u>\$ 293,825</u>
Capital Investment Assistance	20.500	04-0113-070-11	<u>\$ 47,991</u>
Urban Mass Transportation Technical Studies Grants:			
Planning	20.515	11-RPA-R07	<u>\$ 25,673</u>
Non-urban Assistance Project	20.509	18-0029-070-11	<u>\$ 288,286</u>
Department of Health and Human Services:			
Iowa Department of Public Health:			
Investigations and technical assistance	93.283	5880-0B-01	<u>\$ 997</u>
Department of Homeland Security:			
Iowa Homeland Security			
	97.067	Region V-2007	\$ 80,727
	97.067	Region VI-2007	8,946
	97.067	Region VI-2008	110,722
	97.067	Region VI-2009	7,579
			<u>\$ 207,974</u>
Total Indirect Awards			<u>\$2,515,378</u>
Total			<u>\$2,664,888</u>

See Accompanying Independent Auditor's Report.



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

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

I have audited the basic financial statements of the Iowa Northland Regional Council of Governments (INRCOG) as of and for the year ended June 30, 2011 and have issued my report thereon dated December 8, 2011. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, I identified a deficiency in internal control over financial reporting that I consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of INRCOG's financial statements will not be prevented or detected and corrected on a timely basis. I consider the deficiency described in Part II of the accompanying Schedule of Findings as item II-A-11 to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. There are no deficiencies described in the accompanying Schedule of Findings that I consider to be significant deficiencies.

Compliance and Other Matters

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

Comments involving statutory and other legal matters about INRCOG's operations for the year ended June 30, 2011 are based exclusively on knowledge obtained from procedures performed during my audit of the financial statements of INRCOG. Since my audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

INRCOG's response to the finding identified in my audit is described in the accompanying Schedule of Findings. While I have expressed my conclusion on INRCOG's response, I did not audit INRCOG's response and, accordingly, I express no opinion on it.

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

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



December 8, 2011



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**INDEPENDENT AUDITOR'S 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**

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

Compliance

I have audited Iowa Northland Regional Council of Governments (INRCOG)'s compliance with the types of compliance requirements described in U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on INRCOG's major federal program for the year ended June 30, 2011. INRCOG's major federal program is identified in Part I of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of INRCOG's management. My responsibility is to express an opinion on INRCOG's compliance based on my audit.

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

In my opinion, INRCOG complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

Internal Control Over Compliance

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

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in INRCOG's internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance significant deficiencies or material weaknesses have been identified. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

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 a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

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

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

December 8, 2011

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
Schedule of Findings
Year Ended June 30, 2011

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

- (a) Unqualified opinions were issued on the financial statements.
- (b) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program was noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major program was CFDA Number 14.228 - Community Development Block Grant Program.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) INRCOG did not qualify as a low-risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCY:

II-A-11 Preparation of Financial Statements - The Agency does not have an internal control system designed to provide for the preparation of the financial statements in accordance with U.S. generally accepted accounting principles, nor has management identified risks related to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements. Therefore, as an auditor, I was requested to draft the financial statements and accompanying notes to the financial statements. This circumstance is not unusual for a governmental entity similar in size to the Agency. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Recommendation - I recognize that with a limited number of office employees, preparation of the financial statements is difficult. However, I recommend that Agency officials continue reviewing operating procedures in order to obtain the maximum internal control possible under the circumstances.

Response - The Agency will continue to review and monitor procedures currently in place and evaluate the risks to be accepted in preparation of the financial statements.

Conclusion - Response accepted.

IOWA NORTHLAND REGIONAL COUNCIL OF GOVERNMENTS
Schedule of Findings
Year Ended June 30, 2011

Part II: Findings Related to the Financial Statements:- continued

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No material weaknesses in internal control over the major program was noted.

Part IV: Other Findings Related to Required Statutory Reporting:

- IV-A-11 Questionable Expenses - No expenses I believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-B-11 Travel Expense - No expenses of INRCOG money for travel expenses of spouses of INRCOG officials or employees were noted.
- IV-C-11 Business Transactions - No business transactions between INRCOG and INRCOG officials or employees were noted.
- IV-D-11 Bond Coverage - Surety bond coverage of INRCOG officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations.
- IV-E-11 Deposits and Investments - No instances of non-compliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and INRCOG's investment policy were noted.
- IV-F-11 Board Minutes - No transactions were found that I believe should have been approved in the Board minutes but were not.