

**Southern Iowa Economic
Development Association**

Ottumwa, Iowa

Financial Statements and
Supplementary Information
Year Ended June 30, 2013

Southern Iowa Economic Development Association

Financial Statements and Supplementary Information
Year Ended June 30, 2013

Table of Contents

Independent Auditor's Report.....	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows.....	5
Notes to Financial Statements	6
Supplementary Information	
Schedule of Program Activity.....	11
Schedule of Expenditures of Federal Awards and List of Programs.....	20
Statement of Financial Position – By Fund.....	24
Schedule of Revenue and Expenses Compared With Budget:	
Weatherization Assistance Programs	31
Low Income Home Energy Assistance Program	35
Child and Adult Care Food Programs	36
Community Services Block Grant	38
Family Development and Self Sufficiency.....	39
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	40
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance	42
Schedule of Findings and Questioned Costs.....	44



Independent Auditor's Report

Board of Directors
Southern Iowa Economic Development Association
Ottumwa, Iowa

Report on Financial Statements

We have audited the accompanying financial statements of Southern Iowa Economic Development Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Iowa Economic Development Association as of June 30, 2013, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards and list of programs as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of program activity on pages 11 to 19 and the schedules on pages 24 to 39 are presented for purposes of additional analysis, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2013, on our consideration of Southern Iowa Economic Development Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southern Iowa Economic Development Association's internal control over financial reporting and compliance.


Wipfli LLP

November 21, 2013
Madison, Wisconsin

Southern Iowa Economic Development Association

Statement of Financial Position

June 30, 2013

<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 1,470,883
Grants receivable	544,944
Prepaid expenses and other assets	51,278
Total current assets	2,067,105
Property and equipment, net	172,588
TOTAL ASSETS	\$ 2,239,693
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 156,476
Accrued payroll and related expenses	150,245
Accrued vacation	106,983
Grant funds received in advance	51,529
Total current liabilities	465,233
Unrestricted net assets	1,774,460
TOTAL LIABILITIES AND NET ASSETS	\$ 2,239,693

Southern Iowa Economic Development Association

Statement of Activities

Year Ended June 30, 2013

Revenue and Support:

Grant revenue	\$ 10,035,144
Program/other income	579,603
In-kind contributions	121,073

Total revenue and support	10,735,820
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Expenses:

Program activities:	
Weatherization assistance	1,163,294
Energy assistance	3,000,728
Child education	2,803,968
Substance abuse	1,225,136
Community services	380,950
Family development	306,687
Food programs	954,462
Discretionary activities	77,904

Total program activities	9,913,129
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Management and general	475,843
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Total expenses	10,388,972
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Change in net assets	346,848
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Net assets - Beginning of year	1,427,612
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Net assets - End of year	\$ 1,774,460
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Southern Iowa Economic Development Association

Statement of Cash Flows

Year Ended June 30, 2013

Cash flows from operating activities:	
Change in net assets	\$ 346,848
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	47,967
Reduction in Weatherization liability	(78,947)
Effects of changes in operating assets and liabilities:	
Grants receivable	(78,273)
Prepaid expenses and other assets	1,048
Inventories/Weatherization work-in-process	142,604
Accounts payable	16,138
Accrued payroll and related expenses	(17,822)
Accrued vacation	24,183
Grant funds received in advance	(5,902)
Net cash provided by operating activities	<u>397,844</u>
Cash flows from investing activities:	
Purchase of property and equipment	(5,893)
Net cash used in investing activities	<u>(5,893)</u>
Cash flows from financing activities:	
Principal paid on note payable	(2,415)
Net cash used in financing activities	<u>(2,415)</u>
Changes in cash and cash equivalents	389,536
Cash and cash equivalents - Beginning of year	1,081,347
Cash and cash equivalents - End of year	<u><u>\$ 1,470,883</u></u>

Supplemental Schedule of Other Cash Activity:

Interest paid and expensed	\$ 103
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Southern Iowa Economic Development Association

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Southern Iowa Economic Development Association ("SIEDA") is a community action agency that serves the Iowa counties of Appanoose, Davis, Jefferson, Keokuk, Lucas, Mahaska, Marion, Monroe, Van Buren, Wapello and Wayne.

SIEDA administers various programs funded by federal, state and local governments. SIEDA receives 18% and 39% of total grant revenue from federal Head Start and Low Income Home Energy Assistance (LIHEAP) programs, respectively.

Classification of Net Assets

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of SIEDA and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Currently, SIEDA does not have any temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by SIEDA. Generally, the donors of these assets permit SIEDA to use all or part of the income earned on any related investments for general or specific purposes. Currently, SIEDA does not have any permanently restricted net assets.

Use of Estimates in Preparing Financial Statements

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

Cash and Cash Equivalents

For purposes of reporting cash flows, SIEDA includes all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less as cash and cash equivalents.

Southern Iowa Economic Development Association

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Property and Equipment

Property and equipment are capitalized at cost and depreciated over their estimated useful life using the straight-line method. SIEDA considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over two years.

Property and equipment purchased with grant funds is owned by SIEDA while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. Property and equipment purchased with grant funds, net of depreciation, was \$62,441 at June 30, 2013.

In-Kind Contributions

SIEDA has recorded in-kind contributions for space, supplies, and professional services in the statement of activities in accordance with generally accepted accounting principles (GAAP). GAAP requires that only contributions of service received which create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation, be recorded. The requirements of GAAP are different than the in-kind requirements of several of SIEDA's grant awards. SIEDA also received in-kind contributions for nonprofessional volunteers during the year with a value of \$111,187, for its Head Start program, which is not recorded in the statement of activities.

Revenue Recognition

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are recorded as either contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

Southern Iowa Economic Development Association

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Revenue Recognition (Continued)

B. Grant Awards that are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed. Amounts received in excess of those earned are reflected as deferred revenue.

Indirect Cost Rate

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all SIEDA's programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate has been approved by the U.S. Department of Health and Human Services (DHHS). A provisional indirect cost rate is based upon the projected costs of SIEDA for the fiscal year under consideration. SIEDA adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval by SIEDA at which time the indirect cost rate becomes final.

Income Taxes

SIEDA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar sections of the state of Iowa income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes.

SIEDA is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. SIEDA has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the tax years 2009, and beyond remain subject to examination by the Internal Revenue Service.

Subsequent Events

Subsequent events have been evaluated through November 21, 2013, which is the date the financial statements were available to be issued.

Note 2 **Concentration of Risk**

SIEDA maintains several bank accounts at one financial institution; however, frequently the bank balances exceed the maximum amount insured by the Federal Deposit Insurance Corporation (FDIC). SIEDA's bank deposits at June 30, 2013, were entirely covered by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. Management believes the financial institution has a strong credit rating and credit risk related to these deposits is minimal.

Southern Iowa Economic Development Association

Notes to Financial Statements

Note 3 Grants Receivable

Grants receivable represent amounts due from various funding sources as follows:

Federal programs	\$ 298,482
State and local programs	246,462
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Total	<u>\$ 544,944</u>

Note 4 Property and Equipment

Property and equipment is summarized as follows:

Land	\$ 6,900
Buildings and improvements	298,272
Equipment	451,926
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Subtotal	757,098
Accumulated depreciation	(584,510)
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Total	<u>\$ 172,588</u>

Note 5 Operating Leases

SIEDA leases various facilities for program operations. These leases generally are written over a one-year to ten-year period and SIEDA expects to renew or replace most leases at their expiration. Lease expense for the year ended June 30, 2013, was \$288,212.

Minimum lease payments beyond 2013, are as follows:

2014	206,496
2015	14,213
2016	8,628
2017	8,628
2018	2,628
<hr/>	
Total	<u>\$ 240,593</u>

Note 6 Contingencies

SIEDA receives funding from a number of federal and state grant programs. These programs are subject to program compliance audits by the grantors and their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of SIEDA. SIEDA is also required to match 25% of the grant funds received under the Head Start program through local sources. SIEDA believes that it is in substantial compliance with the grant programs, including matching requirements, and that disallowed amounts, if any, would not be significant.

Southern Iowa Economic Development Association

Notes to Financial Statements

Note 6 **Contingencies (Continued)**

In a prior year, SIEDA's Weatherization program experienced difficulties related to contractors performing work on homes and SIEDA's inspection of those homes. As a result, SIEDA was expecting an obligation to repay some Weatherization funds back to the State of Iowa and; therefore, recorded an estimated liability of \$103,881. Subsequent to June 30, 2013, SIEDA received a letter from the State of Iowa finalizing SIEDA's obligation at \$24,934. The reduction in the liability of \$78,494 is included in program income on the statement of activities and the final obligation of \$24,934 is included in accounts payable on the statement of financial position.

Note 7 **Retirement Plans**

SIEDA 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. Additional plan information on IPERS can be found at www.ipers.org.

Participating employees are required to contribute 5.78% of their annual covered salary and SIEDA is required to contribute 8.67% of annual covered payroll. Contribution requirements to IPERS are established by state statute. SIEDA's contribution to IPERS for the year ended June 30, 2013, was \$254,398.

Note 8 **Grant Awards**

At June 30, 2013, SIEDA had commitments under various ongoing grant awards of approximately \$2,800,000. The revenue relating to these grants is not recognized in the accompanying financial statements because the revenue recognition is conditional on the incurrence of expenditures or the performance of services in the next fiscal year.

Supplementary Information

Southern Iowa Economic Development Association

Schedule A-1

Schedule of Program Activity

Year Ended June 30, 2013

	FEDERAL PROGRAMS							
	Department of Agriculture					DOE	DHHS	
	10.558					81.042	93.243	
	TOTAL	Child and Adult Care Food Program - Homes 12 (1)	Child and Adult Care Food Program - Homes 13 (2)	Child and Adult Care Food Program - Centers 12 (3)	Child and Adult Care Food Program - Centers 13 (4)	10.558 Subtotal	Weatherization Assistance #DOE-12-15 (5)	Capacity Coaching #588 1 IP08 (6)
REVENUE								
Grant revenue	\$ 10,035,144	\$ 232,511	\$ 646,239	\$ 18,061	\$ 103,106	\$ 999,917	\$ 231,580	\$ 22,062
Program/other income	579,603	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
In-kind contributions	121,073	0	0	0	0	0	0	0
Total Revenue	10,735,820	232,511	646,239	18,061	103,106	999,917	231,580	22,062.00
EXPENSES								
Salaries and wages	3,030,173	13,430	48,795	0	0	62,225	27,016	12,769
Fringe benefits	930,479	4,405	16,164	0	0	20,569	10,946	4,232
Contracted services/consultants	801,980	207	0	0	0	207	87,507	0
Day care provider payments	757,198	198,944	558,254	0	0	757,198	0	0
Energy assistance	2,871,639	0	0	0	0	0	0	0
Food	121,167	0	0	18,061	103,106	121,167	0	0
Indirect costs	0	2,719	8,295	0	0	11,014	7,630	2,171
Insurance	38,314	0	0	0	0	0	0	0
Occupancy	365,685	600	2,210	0	0	2,810	1,960	0
Supplies	803,046	1,961	3,464	0	0	5,425	93,725	0
Travel	129,210	1,292	2,823	0	0	4,115	107	1,921
Other	419,008	8,953	6,234	0	0	15,187	2,689	969
In-kind	121,073	0	0	0	0	0	0	0
Total Expenses	10,388,972	232,511	646,239	18,061	103,106	999,917	231,580	22,062.00
Change in net assets	346,848	0	0	0	0	0	0	0
Net assets - Beginning of year	1,427,612	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 1,774,460	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-2

Schedule of Program Activity

Year Ended June 30, 2013

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.505			93.558			93.568	
	2012 MIECHV #5882CH04 (7)	2013 MIECHV #5882CH04 (8)	93.505 Subtotal	FADSS #FADSS-12-15-FL (9)	FADSS #FADSS-13-15 (10)	93.558 Subtotal	HEAP Weatherization #HEAP-12-15 (11)	HEAP Weatherization #HEAP-13-15 (12)
REVENUE								
Grant revenue	\$ 88,749	\$ 175,042	\$ 263,791	\$ 21,792	\$ 151,706	\$ 173,498	\$ 345,356	\$ 376,383
Program income	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	88,749	175,042	263,791	21,792	151,706	173,498	345,356	376,383
EXPENSES								
Salaries and wages	17,138	57,252	74,390	14,022	87,572	101,594	72,456	38,849
Fringe benefits	4,854	16,616	21,470	4,625	26,296	30,921	21,211	12,727
Contracted services/consultants	19,383	42,118	61,501	0	0	0	107,135	162,891
Day care provider payments	0	0	0	0	0	0	0	0
Energy assistance	0	0	0	0	0	0	0	0
Food	0	0	0	0	0	0	0	0
Indirect costs	2,325	9,885	12,210	1,963	14,887	16,850	9,010	6,604
Insurance	0	0	0	0	0	0	0	3,279
Occupancy	3,967	9,203	13,170	479	4,399	4,878	4,023	5,102
Supplies	19,054	5,160	24,214	(725)	4,353	3,628	92,806	137,183
Travel	4,197	12,980	17,177	913	5,348	6,261	3,684	3,318
Other	17,831	21,828	39,659	515	8,851	9,366	35,031	6,430
In-kind	0	0	0	0	0	0	0	0
Total Expenses	88,749	175,042	263,791	21,792	151,706	173,498	345,356	376,383
Change in net assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-3

Schedule of Program Activity

Year Ended June 30, 2013

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.568			93.569			93.600	
	LIHEAP #LIHEAP-12-15 (13)	LIHEAP #LIHEAP-13-15 (14)	93.568 Subtotal	Community Services Block Grant #CSBG-12-15 (15)	Community Services Block Grant #CSBG-13-15 (16)	Subtotal 93.569	Head Start #07CH6142/46 (17)	Head Start #07CH6142/47 (18)
REVENUE								
Grant revenue	\$ 703,545	\$ 2,440,088	\$ 3,865,372	\$ 281,157	\$ 668	\$ 281,825	\$ 762,117	\$ 1,081,551
Program income	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	90,846	141,414
Total Revenue	703,545	2,440,088	3,865,372	281,157.00	668	281,825	852,963	1,222,965
EXPENSES								
Salaries and wages	52,181	116,984	280,470	152,757	0	152,757	409,310	597,007
Fringe benefits	15,334	35,518	84,790	46,761	0	46,761	137,322	196,113
Contracted services/consultants	0	0	270,026	31	0	31	4,424	10,160
Day care provider payments	0	0	0	0	0	0	0	0
Energy assistance	614,603	2,241,333	2,855,936	0	0	0	0	0
Food	0	0	0	0	0	0	0	0
Indirect costs	6,854	19,887	42,355	24,760	0	24,760	65,456	101,491
Insurance	0	0	3,279	0	0	0	2,421	2,306
Occupancy	4,614	10,633	24,372	25,368	587	25,955	52,864	93,423
Supplies	8,303	6,763	245,055	4,017	0	4,017	41,977	34,986
Travel	204	1,497	8,703	10,779	81	10,860	11,095	13,076
Other	1,452	7,473	50,386	16,684	0	16,684	37,248	32,989
In-kind	0	0	0	0	0	0	90,846	141,414
Total Expenses	703,545	2,440,088	3,865,372	281,157	668	281,825	852,963	1,222,965
Change in net assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-4

Schedule of Program Activity

Year Ended June 30, 2013

	FEDERAL PROGRAMS					STATE AND LOCAL PROGRAMS		
	Department of Health and Human Services							
	93.959							
	Subtotal	Drug and Alcohol - Prevention	2013 Drug and Alcohol - Treatment	SPFSIG	Subtotal	Total Federal Programs	I-Care	Alliant Counseling
	93.600	#588 3 CP21	(20)	(21)	93.959		(22)	(23)
REVENUE		(19)						
Grant revenue	\$ 1,843,668	\$ 138,286	\$ 208,836	\$ 127,121	\$ 474,243	\$ 8,155,956	\$ 5,450	\$ 6,534
Program income	0	18,574	130,364	0	148,938	148,938	0	0
Transfers	0	(9,745)	(58,751)	0	(68,496)	(68,496)	0	0
In-kind contributions	232,260	0	0	0	0	232,260	0	0
Total Revenue	2,075,928	147,115	280,449	127,121	554,685	8,468,658	5,450	6,534
EXPENSES								
Salaries and wages	1,006,317	79,214	153,925	62,842	295,981	2,013,519	487	0
Fringe benefits	333,435	21,003	44,053	19,383	84,439	637,563	118	0
Contracted services/consultants	14,584	2,044	11,655	8,325	22,024	455,880	7,797	0
Day care provider payments	0	0	0	0	0	757,198	0	0
Energy assistance	0	0	0	0	0	2,855,936	0	0
Food	0	0	0	0	0	121,167	0	0
Indirect costs	166,947	13,469	26,167	9,958	49,594	333,531	83	0
Insurance	4,727	0	0	0	0	8,006	0	0
Occupancy	146,287	12,030	19,136	2,743	33,909	253,341	0	0
Supplies	76,963	7,139	11,683	4,232	23,054	476,081	0	84
Travel	24,171	9,570	2,918	4,453	16,941	90,256	0	0
Other	70,237	2,646	10,912	15,185	28,743	233,920	2	1,410
In-kind	232,260	0	0	0	0	232,260	0	0
Total Expenses	2,075,928	147,115	280,449	127,121	554,685	8,468,658	8,487	1,494
Change in net assets	0	0	0	0	0	0	(3,037)	5,040
Net assets - Beginning of year	0	0	0	0	0	0	4,138	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,101	\$ 5,040

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-5

Schedule of Program Activity

Year Ended June 30, 2013

STATE AND LOCAL PROGRAMS								
	FADSS	FADSS	St. Patricks	St. Mary's	Miller Chapel	PAT Mah/Wap	2013 PAT Jeff/Keokuk	Van Buren Ext. Hrs.
	#FADSS-12-15-FL	#FADSS-13-15	Fund	Fund	Fund	#2013-10	AIM	#EC11-04
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
REVENUE								
Grant revenue	\$ 18,564	\$ 129,231	\$ 4,200	\$ 3,659	\$ 550	\$ 196,116	\$ 117,134	\$ 20,075
Program income	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	18,564	129,231	4,200	3,659	550	196,116	117,134	20,075
EXPENSES								
Salaries and wages	11,945	74,598	0	0	0	103,458	70,058	9,194
Fringe benefits	3,941	22,401	0	0	0	35,447	18,312	2,240
Contracted services/consultants	0	0	0	0	0	0	0	7,078
Day care provider payments	0	0	0	0	0	0	0	0
Energy assistance	0	0	3,283	2,034	312	0	0	0
Food	0	0	0	0	0	0	0	0
Indirect costs	1,672	12,682	0	0	0	17,588	11,910	1,563
Insurance	0	0	0	0	0	605	0	0
Occupancy	408	3,747	0	0	0	13,048	6,163	0
Supplies	(618)	3,708	0	0	0	8,799	1,963	0
Travel	778	4,556	0	0	0	6,345	5,131	0
Other	438	7,539	0	0	0	10,826	3,597	0
In-kind	0	0	0	0	0	0	0	0
Total Expenses	18,564	129,231	3,283	2,034	312	196,116	117,134	20,075
Change in net assets	0	0	917	1,625	238	0	0	0
Net assets - Beginning of year	0	0	165	59	150	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 1,082	\$ 1,684	\$ 388	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-6

Schedule of Program Activity

Year Ended June 30, 2013

	STATE AND LOCAL PROGRAMS							
	Embrace Iowa	IP&L Utilities Weatherization #IPL-12-15	IP&L Utilities Weatherization #IPL-13-15	MEC Weatherization #MEC-12-15	MEC Weatherization #MEC-13-15	Parents as Teachers ADLM #12-34-SR	Hometown Cares-HACAP	Disaster CM ICAA
	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)
REVENUE								
Grant revenue	\$ 10,592	\$ 49,505	\$ 45,423	\$ 53,491	\$ 97,009	\$ 118,465	\$ 57,701	\$ 38,105
Program income	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	(35,823)	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	10,592	49,505	45,423	53,491	97,009	118,465	21,878	38,105
EXPENSES								
Salaries and wages	0	0	0	0	0	65,872	0	0
Fringe benefits	0	0	0	0	0	18,536	0	0
Contracted services/consultants	0	24,073	20,285	25,938	44,806	0	21,878	38,100
Day care provider payments	0	0	0	0	0	0	0	0
Energy assistance	10,074	0	0	0	0	0	0	0
Food	0	0	0	0	0	0	0	0
Indirect costs	0	0	0	0	0	11,198	0	0
Insurance	0	0	0	0	0	605	0	0
Occupancy	0	0	0	0	0	8,321	0	0
Supplies	0	25,432	25,138	27,553	52,203	1,647	0	0
Travel	0	0	0	0	0	4,138	0	0
Other	0	0	0	0	0	8,148	0	5
In-kind	0	0	0	0	0	0	0	0
Total Expenses	10,074	49,505	45,423	53,491	97,009	118,465	21,878	38,105
Change in net assets	518	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 518	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-7

Schedule of Program Activity

Year Ended June 30, 2013

STATE AND LOCAL PROGRAMS								
	1650 AIM HEADSTART SUPPORT AIMECI-13-018 (40)	PAT CCE ADLM #13-41-Srec (41)	ISP UNI Intergrated Serv Proj (42)	2013 Tobacco Prevention #5882TS42 (43)	SAS Access to Recovery #5881AC23 (44)	2013 Vocational Rehab (45)	Mahaska Gambling Grant #5880GP07 (46)	Keokuk Gambling Grant #5880GP082 (47)
REVENUE								
Grant revenue	\$ 26,756	\$ 39,482	\$ 9,485	\$ 67,839	\$ 216,819	\$ 29,792	\$ 500	\$ 180
Program income	0	0	0	301	0	0	0	0
Transfers	0	0	0	0	(54,582)	(711)	(500)	(180)
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	26,756	39,482	9,485	68,140	162,237	29,081	0	0
EXPENSES								
Salaries and wages	17,217	23,574	6,705	39,197	45,719	0	0	0
Fringe benefits	6,612	6,612	1,592	14,700	12,603	0	0	0
Contracted services/consultants	0	0	0	0	0	29,085	0	0
Day care provider payments	0	0	0	0	0	0	0	0
Energy assistance	0	0	0	0	0	0	0	0
Food	0	0	0	0	0	0	0	0
Indirect costs	2,927	4,008	1,110	6,663	7,773	0	0	0
Insurance	0	0	0	0	0	0	0	0
Occupancy	0	2,968	0	2,951	0	0	0	0
Supplies	0	185	57	668	90,646	0	0	0
Travel	0	1,230	21	4,375	4,203	0	0	0
Other	0	905	0	(414)	1,293	(4)	0	0
In-kind	0	0	0	0	0	0	0	0
Total Expenses	26,756	39,482	9,485	68,140	162,237	29,081	0	0
Change in net assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-8

Schedule of Program Activity

Year Ended June 30, 2013

STATE AND LOCAL PROGRAMS								
	EQI Quality Improvement	Drug and Alcohol - Prevention #588 3 CP21	2013 Drug and Alcohol - Treatment	App/Dav Ext. Hrs. Appanoose #13-28-SR	App/Dav Ext. Hrs. Davis Co #13-29-SR	J/K Transportation	Davis St Christian Church	1st UMC
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
REVENUE								
Grant revenue	\$ 1,598	\$ 5,157	\$ 456,247	\$ 11,000	\$ 11,455	\$ 5,559	\$ 487	\$ 277
Program income	0	693	284,809	0	0	0	0	0
Transfers	0	(363)	(128,354)	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	1,598	5,487	612,702	11,000	11,455	5,559	487	277
EXPENSES								
Salaries and wages	0	2,954	336,282	7,757	7,883	0	0	0
Fringe benefits	0	783	96,242	1,924	2,232	0	0	0
Contracted services/consultants	0	76	25,463	0	0	0	487	277
Day care provider payments	0	0	0	0	0	0	0	0
Energy assistance	0	0	0	0	0	0	0	0
Food	0	0	0	0	0	0	0	0
Indirect costs	0	502	57,168	1,319	1,340	0	0	0
Insurance	0	0	0	0	0	0	0	0
Occupancy	0	449	41,806	0	0	0	0	0
Supplies	1,598	266	25,525	0	0	0	0	0
Travel	0	357	6,374	0	0	0	0	0
Other	0	100	23,842	0	0	5,559	0	0
In-kind	0	0	0	0	0	0	0	0
Total Expenses	1,598	5,487	612,702	11,000	11,455	5,559	487	277
Change in net assets	0	0	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule A-9

Schedule of Program Activity

Year Ended June 30, 2013

	ST. & LOCAL		DISCRETIONARY ACTIVITY				
	Total State and Local Programs	Total Program Activity	GAAP Adjustments (56)	Sigourney Building (57)	Indirect Expenses (58)	Corporate Operations (59)	Total Discretionary Activity
REVENUE							
Grant revenue	\$ 1,854,437	\$ 10,010,393	\$ 0	\$ 0	\$ 0	\$ 24,751	\$ 24,751
Program income	285,803	434,741	0	17,800	0	127,062	144,862
Transfers	(220,513)	(289,009)	32,545	0	0	256,464	289,009
In-kind contributions	0	232,260	(111,187)	0	0	0	(111,187)
Total Revenue	1,919,727	10,388,385	(78,642)	17,800	0	408,277	347,435
EXPENSES							
Salaries and wages	822,900	2,836,419	0	0	193,754	0	193,754
Fringe benefits	244,295	881,858	0	0	48,620	1	48,621
Contracted services/consultants	245,343	701,223	0	0	97,974	2,783	100,757
Day care provider payments	0	757,198	0	0	0	0	0
Energy assistance	15,703	2,871,639	0	0	0	0	0
Food	0	121,167	0	0	0	0	0
Indirect costs	139,506	473,037	0	0	(475,843)	2,806	(473,037)
Insurance	1,210	9,216	0	0	29,098	0	29,098
Occupancy	79,861	333,202	0	8,310	25,380	(1,207)	32,483
Supplies	264,854	740,935	0	0	60,269	1,842	62,111
Travel	37,508	127,764	0	0	1,414	32	1,446
Other	63,246	297,166	32,545	10,925	19,334	59,038	121,842
In-kind	0	232,260	(111,187)	0	0	0	(111,187)
Total Expenses	1,914,426	10,383,084	(78,642)	19,235	0	65,295	5,888
Change in net assets	5,301	5,301	0	(1,435)	0	342,982	341,547
Net assets - Beginning of year	4,512	4,512	0	1,093	(143,127)	1,565,134	1,423,100
NET ASSETS - END OF YEAR	\$ 9,813	\$ 9,813	\$ 0	(\$ 342)	(\$ 143,127)	\$ 1,908,116	\$ 1,764,647

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Schedule B-1

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Number/Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor or Pass-Through Agency</u>	<u>Program Period</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE				
(1) Child and Adult Care Food Program - Homes #908017	10.558	Iowa Department of Education	10/01/11 - 09/30/12	\$ 232,511
(2) Child and Adult Care Food Program - Homes #908017		Iowa Department of Education	10/01/12 - 09/30/13	646,239
(3) Child and Adult Care Food Program - Centers #908010		Iowa Department of Education	10/01/11 - 09/30/12	18,061
(4) Child and Adult Care Food Program - Centers #908010		Iowa Department of Education	10/01/12 - 09/30/13	103,106
		Total Expenditures #10.558		999,917
DEPARTMENT OF ENERGY				
(5) Weatherization Assistance #DOE-12-15	81.042	Iowa Department of Human Rights	04/01/12 - 12/31/13	231,580
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(6) Capacity Coaching #588 1 IP08	93.243	Iowa Department of Public Health	07/01/12 - 06/30/13	22,062
(7) MIECHVP #5882CH04	93.505	Iowa Department of Public Health	10/31/11 - 09/30/12	88,749
(8) MIECHVP #5882CH04		Iowa Department of Public Health	10/31/12 - 09/30/13	175,042
		Total Expenditures #93.505		263,791
(9) FADSS #FADSS-12-15-FL	93.558	Iowa Department of Human Rights	07/01/11 - 09/30/12	21,792
(10) FADSS #FADSS-13-15		Iowa Department of Human Rights	10/01/12 - 09/30/13	151,706
		Total Expenditures #93.558		173,498

Southern Iowa Economic Development Association

Schedule B-2

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Number/Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor or Pass-Through Agency</u>	<u>Program Period</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)				
(11) HEAP Weatherization #HEAP-12-15	93.568	Iowa Department of Human Rights	01/01/12 - 12/31/12	345,356
(12) HEAP Weatherization #HEAP-13-15		Iowa Department of Human Rights	01/01/13 - 12/31/13	376,383
(13) Low-Income Home Energy Assistance Program #LIHEAP-12-15		Iowa Department of Human Rights	10/01/11 - 09/30/12	703,545
(14) Low-Income Home Energy Assistance Program #LIHEAP-13-15		Iowa Department of Human Rights	10/01/12 - 09/30/13	2,440,088
Total Expenditures #93.568				3,865,372
(15) Community Services Block Grant #CSBG-12-15	93.569	Iowa Department of Human Rights	10/01/11 - 09/30/12	281,157
(16) Community Services Block Grant #CSBG-13-15		Iowa Department of Human Rights	10/01/12 - 09/30/13	668
Total Expenditures #93.569				281,825
(17) Head Start 2012 #07CH6142/46	93.600	U.S. Department of Heal and Human Services	12/01/11 - 11/30/12	762,117
(18) Head Start 2013 #07CH6142/47		U.S. Department of Heal and Human Services	12/01/12 - 11/30/13	1,081,551
Total Expenditures #93.600				1,843,668
(19) Drug and Alcohol - Prevention #588 3 CP21	93.959	Iowa Department of Public Health	07/01/12 - 06/30/13	138,286
(20) Drug and Alcohol - Treatment #5881AC23		Iowa Department of Public Health	07/01/12 - 06/30/13	208,836

Southern Iowa Economic Development Association

Schedule B-3

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Number/Program Title</u>	<u>CFDA Number</u>	<u>Federal Grantor or Pass-Through Agency</u>	<u>Program Period</u>	<u>Federal Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)				
(21) SPF SIG	93.959	Iowa Department of Public Health	07/01/12 - 06/30/13	127,121
Total Expenditures #93.959				474,243
TOTAL FEDERAL EXPENDITURES				\$ 8,155,956

<u>State and Local Programs</u>	<u>Program Period</u>
STATE AND LOCAL PROGRAMS	
(22) I-Care	Ongoing
(23) Alliant Counseling	Ongoing
(24) FADSS #FADSS-12-15-FL	07/01/11 - 09/30/12
(25) FADSS #FADSS-13-15	07/01/12 - 09/30/13
(26) St. Patrick's Fund	Ongoing
(27) St. Mary's Fund	Ongoing
(28) Miller Chapel Fund	Ongoing
(29) PAT Mah/Wap #2013-10	07/01/12 - 06/30/13
(30) PAT Jeff/Keokuk AIM	07/01/12 - 06/30/13
(31) Van Buren Ext. Hrs.	07/01/12 - 06/30/13
(32) Embrace Iowa	07/01/12 - 06/30/13
(33) IP&L Utilities #IPL-12-15	01/01/12 - 12/31/12
(34) IP&L Utilities #IPL-13-15	01/01/13 - 12/31/13
(35) MEC 12 #MEC-12-15	01/01/12 - 12/31/12
(36) MEC 13 #MEC-13-15	01/01/13 - 12/31/13
(37) Parents as Teachers ADLM #12-34-SR	07/01/12 - 06/30/13
(38) Hometown Cares-HACAP	Ongoing
(39) Iowa Economic Development Association	01/01/13 - 03/31/13
(40) AIM ECI HEADSTART SUPPORT	07/01/12 - 06/30/13
(41) PAT CCE ADLM #12-41-SREC	07/01/12 - 06/30/13
(42) ISP	07/01/12 - 06/30/13
(43) Tobacco Prevention #5882TS42	07/01/12 - 06/30/13
(44) SAS Access to Recovery	07/01/12 - 06/30/13
(45) Vocational Rehab	07/01/12 - 06/30/13
(46) Mahaska Gambling Grant	07/01/12 - 06/30/13
(47) Keokuk Gambling Grant	07/01/12 - 06/30/13

Southern Iowa Economic Development Association

Schedule B-4

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended June 30, 2013

<u>State and Local Programs</u>	<u>Program Period</u>
STATE AND LOCAL PROGRAMS (Continued)	
(48) ECI QUALITY IMPROVEMET	07/01/12 - 06/30/13
(49) Drug and Alcohol - Prevention	07/01/12 - 06/30/13
(50) Drug and Alcohol - Treatment	07/01/12 - 06/30/13
(51) App/Dav Ext. Hrs. Appanoose	07/01/12 - 06/30/13
(52) App/Dav Ext. Hrs. Davis Co.	07/01/12 - 06/30/13
(53) J/K TRANSPORTATION	07/01/12 - 06/30/13
(54) DAVIS ST CHRISTIAN CHURCH	Ongoing
(55) 1ST UMC	Ongoing
DISCRETIONARY	
(56) GAAP Adjustments	Ongoing
(57) Sigourney Building	Ongoing
(58) Indirect Expenses	Ongoing
(59) Corporate Operations	Ongoing

Notes to Schedule of Expenditures of Federal Awards and List of Programs

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and list of programs (the "Schedule") includes the federal grant activity of Southern Iowa Economic Development Association under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of Southern Iowa Economic Development Association, it is not intended to and does not present the financial position, changes in net assets or cash flows of Southern Iowa Economic Development Association.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	Total All Funds	Corporate Operations	Corporate Operations Property	Total Restricted or Designated Funds	Weatheri- zation	HEAP
Cash	\$ 1,470,883	\$ 1,663,665	\$ 0	(\$ 192,782)	\$ 51,265	\$ 46,181
Grants receivable	544,944	0	0	544,944	0	0
Prepaid expenses	51,278	37,031	0	14,247	1,466	0
Property and equipment, net	172,588	18,389	111,805	42,394	5,152	17,432
TOTAL ASSETS	\$ 2,239,693	\$ 1,719,085	\$ 111,805	\$ 408,803	\$ 57,883	\$ 63,613
LIABILITIES & NET ASSETS						
LIABILITIES						
Accounts payable	\$ 156,476	\$ 21,513	\$ 0	134,963	\$ 24,934	\$ 655
Accrued payroll and related expenses	150,245	92,089	0	58,156	3,611	0
Accrued vacation	106,983	8,505	0	98,478	3,440	0
Grant funds received in advance	51,529	0	0	51,529	9,629	22,845
Total Liabilities	465,233	122,107	0	343,126	41,614	23,500
Unrestricted net assets	1,774,460	1,596,978	111,805	65,677	16,269	40,113
TOTAL LIABILITIES AND NET ASSETS	\$ 2,239,693	\$ 1,719,085	\$ 111,805	\$ 408,803	\$ 57,883	\$ 63,613

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	MEC	IPL	I-Care	LIHEAP	Head Start	MIECHV
Cash	(\$ 10,748)	(\$ 2,960)	\$ 1,128	(\$ 24,019)	(\$ 68,222)	(\$ 50,996)
Grants receivable	10,748	2,960	0	32,967	88,544	58,588
Prepaid expenses	0	0	0	0	0	0
Property and equipment, net	0	0	0	0	19,810	0
TOTAL ASSETS	\$ 0	\$ 0	\$ 1,128	\$ 8,948	\$ 40,132	\$ 7,592
LIABILITIES & NET ASSETS						
LIABILITIES						
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 206	\$ 7,266	\$ 5,264
Accrued payroll and related expenses	0	0	27	3,707	9,840	1,536
Accrued vacation	0	0	0	5,035	23,026	792
Grant funds received in advance	0	0	0	0	0	0
Total Liabilities	0	0	27	8,948	40,132	7,592
Unrestricted net assets	0	0	1,101	0	0	0
TOTAL LIABILITIES AND NET ASSETS	\$ 0	\$ 0	\$ 1,128	\$ 8,948	\$ 40,132	\$ 7,592

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	Parents as Teachers ADLM	Parents as Teachers Mah/Wap	Parents as Teachers Jeff/Keokuk	Child Care Educator ADLM	Van Buren Ext. Hrs.	Day Care Homes
Cash	\$ 31	(\$ 41,488)	(\$ 47,009)	(\$ 2,875)	(\$ 1,386)	\$ 13,401
Grants receivable	14,874	45,690	51,520	4,838	1,386	76,232
Prepaid expenses	48	0	0	18	0	0
Property and equipment, net	0	0	0	0	0	0
TOTAL ASSETS	\$ 14,953	\$ 4,202	\$ 4,511	\$ 1,981	\$ 0	\$ 89,633
LIABILITIES & NET ASSETS						
LIABILITIES						
Accounts payable	\$ 5,810	\$ 739	\$ 47	\$ 105	\$ 0	\$ 66,308
Accrued payroll and related expenses	2,858	2,071	1,522	1,053	0	2,164
Accrued vacation	6,285	1,392	2,942	823	0	3,817
Grant funds received in advance	0	0	0	0	0	17,344
Total Liabilities	14,953	4,202	4,511	1,981	0	89,633
Unrestricted net assets	0	0	0	0	0	0
TOTAL LIABILITIES AND NET ASSETS	\$ 14,953	\$ 4,202	\$ 4,511	\$ 1,981	\$ 0	\$ 89,633

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	Drug and Alcohol - Treatment	SAS Access to Recovery	Voc Rehab	Drug and Alcohol Prevention	Drug and Alcohol - Tobacco	Capacity Coaching
Cash	\$ 23,082	(\$ 19,822)	(\$ 698)	\$ 7,537	(\$ 8,660)	(\$ 925)
Grants receivable	740	25,418	698	2,753	12,915	925
Prepaid expenses	6,945	0	0	1,052	234	0
Property and equipment, net	0	0	0	0	0	0
TOTAL ASSETS	\$ 30,767	\$ 5,596	\$ 0	\$ 11,342	\$ 4,489	\$ 0
LIABILITIES & NET ASSETS						
LIABILITIES						
Accounts payable	\$ 6,998	\$ 3,705	\$ 0	\$ 650	\$ 120	\$ 0
Accrued payroll and related expenses	13,607	1,323	0	2,216	1,314	0
Accrued vacation	10,162	568	0	8,476	1,344	0
Grant funds received in advance	0	0	0	0	1,711	0
Total Liabilities	30,767	5,596	0	11,342	4,489	0
Unrestricted net assets	0	0	0	0	0	0
TOTAL LIABILITIES AND NET ASSETS	\$ 30,767	\$ 5,596	\$ 0	\$ 11,342	\$ 4,489	\$ 0

See Independent Auditor's Report.

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	SPFSIG	CSBG 2012	Disaster CM	FaDSS	ISP	J/K HS SUPPORT
Cash	(\$ 8,061)	(\$ 5,480)	(\$ 38,105)	\$ 17,217	(\$ 1,755)	(\$ 26,756)
Grants receivable	14,868	17,044	38,105	12,150	1,755	26,756
Prepaid expenses	134	4,350	0	0	0	0
Property and equipment, net	0	0	0	0	0	0
TOTAL ASSETS	\$ 6,941	\$ 15,914	\$ 0	\$ 29,367	\$ 0	\$ 0
LIABILITIES & NET ASSETS						
LIABILITIES						
Accounts payable	\$ 3,442	\$ 667	\$ 0	\$ 6,430	\$ 0	\$ 0
Accrued payroll and related expenses	2,045	3,403	0	5,859	0	0
Accrued vacation	1,454	11,844	0	17,078	0	0
Grant funds received in advance	0	0	0	0	0	0
Total Liabilities	6,941	15,914	0	29,367	0	0
Unrestricted net assets	0	0	0	0	0	0
TOTAL LIABILITIES AND NET ASSETS	\$ 6,941	\$ 15,914	\$ 0	\$ 29,367	\$ 0	\$ 0

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	ECI QUALITY IMPROVE	J/K TRANSP	DAVIS ST CHRISTIAN CHURCH	1ST UMC	ALLIANT COUNSELING	ST. PATRICK'S FUND
Cash	\$ 19	(\$ 872)	\$ 295	\$ 223	\$ 5,040	\$ 1,082
Grants receivable	1,598	872	0	0	0	0
Prepaid expenses	0	0	0	0	0	0
Property and equipment, net	0	0	0	0	0	0
TOTAL ASSETS	\$ 1,617	\$ 0	\$ 295	\$ 223	\$ 5,040	\$ 1,082
LIABILITIES & NET ASSETS						
LIABILITIES						
Accounts payable	\$ 1,617	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accrued payroll and related expenses	0	0	0	0	0	0
Accrued vacation	0	0	0	0	0	0
Grant funds received in advance	0	0	295	223	0	0
Total Liabilities	1,617	0	295	223	0	0
Unrestricted net assets	0	0	0	0	5,040	1,082
TOTAL LIABILITIES AND NET ASSETS	\$ 1,617	\$ 0	\$ 295	\$ 223	\$ 5,040	\$ 1,082

Southern Iowa Economic Development Association

Statement of Financial Position - By Fund

June 30, 2013

ASSETS	ST. MARY'S FUND	MILLER CHAPEL FUND	EMBRACE IOWA
Cash	\$ 1,684	\$ 388	(\$ 518)
Grants receivable	0	0	0
Prepaid expenses	0	0	0
Property and equipment, net	0	0	0
TOTAL ASSETS	\$ 1,684	\$ 388	(\$ 518)
LIABILITIES & NET ASSETS			
LIABILITIES			
Accounts payable	\$ 0	\$ 0	\$ 0
Accrued payroll and related expenses	0	0	0
Accrued vacation	0	0	0
Grant funds received in advance	0	0	(518)
Total Liabilities	0	0	(518)
Unrestricted net assets	1,684	388	0
TOTAL LIABILITIES AND NET ASSETS	\$ 1,684	\$ 388	(\$ 518)

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Weatherization Assistance Programs

Contract Number: DOE-12-15

Contract Period: 04/01/12 - 12/31/13

	Approved Budget	Total	Actual 04/01/12 - 06/30/12	Actual 07/01/12 - 06/30/13
REVENUE				
Iowa Department of Human Rights	\$ 390,620	\$ 380,850	\$ 149,270	\$ 231,580
EXPENSE				
Administration	19,531	17,129	3,309	13,820
Support	93,749	97,887	56,928	40,959
Health and safety	74,218	84,515	30,699	53,816
Labor	101,561	97,397	24,727	72,670
Materials	101,561	83,922	33,607	50,315
TOTAL EXPENSE	\$ 390,620	\$ 380,850	\$ 149,270	\$ 231,580

Contract Number: DOE-13-15

Contract Period: 04/01/13 - 03/31/14

	Approved Budget	Actual 04/01/13 - 06/30/2013
REVENUE		
Iowa Department of Human Rights	\$ 171,722	\$ 0
EXPENSE		
Administration	\$ 18,686	\$ 0
Support	39,637	0
Health and safety	30,607	0
Labor	41,396	0
Materials	41,396	0
TOTAL EXPENSE	\$ 171,722	\$ 0

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Weatherization Assistance Programs

Contract Number: HEAP-12-15L

Contract Period: 01/01/12 -12/31/12

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 01/01/12 - 06/30/12</u>	<u>Actual 07/01/12 - 12/31/12</u>
REVENUE				
Iowa Department of Human Rights	\$ 651,354	\$ 462,648	\$ 117,292	\$ 345,356
EXPENSE				
Administration	\$ 32,755	\$ 24,130	\$ 4,411	\$ 19,719
Support	148,820	96,211	2,280	93,931
Labor	159,570	77,314	6,354	70,960
Materials	159,570	66,362	11,095	55,267
Insurance	3,649	3,649	3,649	0
Health and safety	116,990	191,014	88,701	102,313
Training and equipment	30,000	3,968	802	3,166
TOTAL EXPENSE	\$ 651,354	\$ 462,648	\$ 117,292	\$ 345,356

Contract Number: HEAP-13-15

Contract Period: 01/01/13 -12/31/13

	<u>Approved Budget</u>	<u>Actual 01/01/13 - 06/30/13</u>
REVENUE		
Iowa Department of Human Rights	\$ 802,036	\$ 376,383
EXPENSE		
Administration	\$ 42,096	\$ 384
Support	189,501	73,994
Labor	197,023	89,789
Materials	197,023	66,896
Insurance	0	3,279
Health and safety	146,393	142,311
Training and equipment	30,000	(270)
TOTAL EXPENSE	\$ 802,036	\$ 376,383

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Weatherization Assistance Programs

Mid American Energy Company

Contract Number: MEC-12-15L

Contract Period: 01/01/12 - 12/31/12

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 01/01/12 - 06/30/12</u>	<u>Actual 07/01/12 - 12/31/12</u>
REVENUE				
Iowa Department of Human Rights	\$ 130,695	\$ 122,297	\$ 68,806	\$ 53,491
EXPENSE				
Administration	\$ 6,535	\$ 0	\$ 0	\$ 0
Support	13,070	594	0	594
Labor	55,545	51,145	25,207	25,938
Materials	55,545	70,558	43,599	26,959
TOTAL EXPENSE	<u>\$ 130,695</u>	<u>\$ 122,297</u>	<u>\$ 68,806</u>	<u>\$ 53,491</u>

Contract Number: MEC-13-15

Contract Period: 01/01/13 - 12/31/13

	<u>Approved Budget</u>	<u>Actual 01/01/13 - 06/30/13</u>
REVENUE		
Iowa Department of Human Rights	\$ 137,721	\$ 97,009
EXPENSE		
Administration	\$ 6,885	\$ 0
Support	13,772	0
Labor	58,532	44,807
Materials	58,532	52,202
TOTAL EXPENSE	<u>\$ 137,721</u>	<u>\$ 97,009</u>

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Weatherization Assistance Programs

Interstate Power and Light

Contract Number: IPL-12-15

Contract Period: 01/01/12 - 12/31/12

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 01/01/12 - 06/30/12</u>	<u>Actual 07/01/12 - 12/31/12</u>
REVENUE				
Iowa Department of Human Rights	\$ 214,396	\$ 79,519	\$ 30,014	\$ 49,505
EXPENSE				
Administration	\$ 4,220	\$ 0	\$ 0	\$ 0
Support	8,440	282	0	282
Labor	35,868	34,609	10,536	24,073
Materials	35,868	44,628	19,478	25,150
TOTAL EXPENSE	<u>\$ 84,396</u>	<u>\$ 79,519</u>	<u>\$ 30,014</u>	<u>\$ 49,505</u>

Contract Number: IPL-13-15

Contract Period: 01/01/13 - 12/31/13

	<u>Approved Budget</u>	<u>Actual 01/01/13 - 06/30/13</u>
REVENUE		
Iowa Department of Human Rights	\$ 214,396	\$ 45,423
EXPENSE		
Administration	\$ 10,720	\$ 0
Support	21,440	0
Labor	91,118	20,284
Materials	91,118	25,139
TOTAL EXPENSE	<u>\$ 214,396</u>	<u>\$ 45,423</u>

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Low Income Home Energy Assistance Program

Contract Number: LIHEAP-12-15

Contract Period: 10/01/11 - 09/30/12

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 10/01/11- 06/30/12</u>	<u>Actual 07/01/12 - 09/30/12</u>
REVENUE				
Iowa Department of Human Rights	\$ 3,978,352	\$ 2,970,139	\$ 2,266,594	\$ 703,545
EXPENSE				
Administration	\$ 251,996	\$ 251,996	\$ 177,066	\$ 74,930
Regular assistance	2,196,975	2,189,698	1,932,573	257,125
Crisis assistance	137,998	137,998	132,903	5,095
Client services	39,000	38,064	24,052	14,012
Summer deliverable fuel	352,383	352,383	0	352,383
TOTAL EXPENSE	<u>\$ 2,978,352</u>	<u>\$ 2,970,139</u>	<u>\$ 2,266,594</u>	<u>\$ 703,545</u>

Contract Number: LIHEAP-13-15

Contract Period: 10/01/12 - 09/30/13

	<u>Approved Budget</u>	<u>Actual 10/01/12- 06/30/13</u>
REVENUE		
Iowa Department of Human Rights	\$ 2,905,622	\$ 2,440,088
EXPENSE		
Administration	\$ 240,039	\$ 174,133
Regular assistance	2,184,347	2,114,300
Crisis assistance	129,021	127,033
Client services	36,006	24,622
Summer deliverable fuel	316,209	0
TOTAL EXPENSE	<u>\$ 2,905,622</u>	<u>\$ 2,440,088</u>

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Child and Adult Care Food Program (CACFP) - Home Providers

Agreement Number: 908017

Contract Period: 10/01/11 - 09/30/12

	Approved Budget	Total	Actual 10/01/11 - 06/30/12	Actual 07/01/12 - 09/30/12
REVENUE				
Iowa Department of Education	\$ 114,277	\$ 862,507	\$ 629,996	\$ 232,511
Cofund Income	0	0	0	0
TOTAL REVENUE	\$ 114,277	\$ 862,507	\$ 629,996	\$ 232,511
EXPENSE				
Labor and benefits	\$ 74,221	\$ 63,621	\$ 45,786	\$ 17,835
In-state travel expenses	8,425	3,920	2,154	1,766
Out of state travel expenses	0	0	474	(474)
Program supplies	11,040	7,653	5,009	2,644
Office rent	2,503	2,706	2,105	601
Communications	7,743	647	720	(73)
Training	2,760	9,144	595	8,549
Other	116	35	36	(1)
Indirect	7,469	8,145	5,425	2,720
Total administrative expenses	114,277	95,871	62,304	33,567
Home providers - reimbursement of meals served	N/A	766,636	567,692	198,944
TOTAL EXPENSE	\$ 114,277	\$ 862,507	\$ 629,996	\$ 232,511

Child and Adult Care Food Program (CACFP) - Home Providers

Agreement Number: 908017

Contract Period: 10/01/12 - 09/30/13

	Approved Budget	Actual 10/01/12 - 06/30/13
REVENUE		
Iowa Department of Education	\$ 146,478	\$ 646,239
EXPENSE		
Labor and benefits	\$ 99,209	\$ 64,959
In-state travel expenses	8,270	4,230
Out of state travel expenses	1,732	0
Program supplies	8,789	4,434
Office rent	3,151	2,210
Communications	7,796	1,266
Training	4,100	2,591
Other	0	0
Indirect	13,430	8,295
Total administrative expenses	146,478	87,985
Home providers - reimbursement of meals served	N/A	558,254
TOTAL EXPENSE	\$ 146,478	\$ 646,239

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Child and Adult Care Food Program (CACFP) - HS Food

Agreement Number: 908017

Contract Period: 10/01/11 - 09/30/12

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 10/01/11 - 06/30/12</u>	<u>Actual 07/01/12 - 09/30/12</u>
REVENUE				
Iowa Department of Education	\$ 180,417	\$ 129,591	\$ 111,530	\$ 18,061
EXPENSE				
Food supplies	156,923	112,798	94,095	18,703
Food supplies-admin	23,494	16,786	17,428	-642
Non kitchen food supplies	0	7	7	0
TOTAL EXPENSE	<u>\$ 180,417</u>	<u>\$ 129,591</u>	<u>\$ 111,530</u>	<u>\$ 18,061</u>

Child and Adult Care Food Program (CACFP) - HS Food

Agreement Number: 908017

Contract Period: 10/01/12 - 09/30/13

	<u>Approved Budget</u>	<u>Actual 10/01/12 - 06/30/13</u>
REVENUE		
Iowa Department of Education	\$ 152,745	\$ 103,106
EXPENSE		
Food supplies	129,648	100,566
Food supplies-admin	23,097	2,540
Non kitchen food supplies	0	0
TOTAL EXPENSE	<u>\$ 152,745</u>	<u>\$ 103,106</u>

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Community Services Block Grant

Contract Number: CSBG-12-15

Contract Period: 10/01/11 - 09/30/12

	<u>Approved Budget</u>	<u>Total</u>	<u>Actual 10/01/11 - 06/30/12</u>	<u>Actual 07/01/12 - 09/30/12</u>
REVENUE				
Iowa Department of Human Rights	\$ 369,878	\$ 369,878	\$ 88,721	\$ 281,157
EXPENSE				
Personnel costs	258,238	259,758	60,240	199,518
Travel	12,500	12,561	1,783	10,778
Space costs	30,200	30,553	11,093	19,460
Co-funded programs	2,000	0	0	0
Other costs	33,200	33,300	6,659	26,641
Indirect costs	33,740	33,706	8,946	24,760
TOTAL EXPENSE	<u>\$ 369,878</u>	<u>\$ 369,878</u>	<u>\$ 88,721</u>	<u>\$ 281,157</u>

Contract Number: CSBG-13-15

Contract Period: 10/01/12 - 09/30/13

	<u>Approved Budget</u>	<u>Actual 10/01/12 - 06/30/13</u>
REVENUE		
Iowa Department of Human Rights	\$ 338,366	\$ 668
EXPENSE		
Personnel costs	231,571	0
Travel	9,100	81
Space costs	32,800	587
Co-funded programs	2,000	0
Other costs	33,071	0
Indirect costs	29,824	0
TOTAL EXPENSE	<u>\$ 338,366</u>	<u>\$ 668</u>

Southern Iowa Economic Development Association

Schedule of Revenue and Expenses Compared with Budget

Family Development and Self Sufficiency

Contract Number: FaDSS-12-15-FL

Contract Period: 07/01/11 - 09/30/12

	Approved Budget	Total	Actual 07/01/11 - 06/30/12	Actual 07/01/12 - 09/30/12
REVENUE				
Iowa Department of Human Rights	\$ 350,233	\$ 350,233	\$ 309,877	\$ 40,356
EXPENSES				
Salaries	\$ 208,196	\$ 207,846	\$ 181,879	\$ 25,967
Benefits	64,041	64,224	55,658	8,566
Travel	16,228	16,494	14,803	1,691
Space Costs	15,200	14,452	17,066	(2,614)
Other Costs	16,796	15,695	12,584	3,111
Indirect Costs	29,772	31,522	27,887	3,635
TOTAL EXPENSES	\$ 350,233	\$ 350,233	\$ 309,877	\$ 40,356

Contract Number: FaDSS-13-15-FL

Contract Period: 10/01/12 - 09/30/13

	Approved Budget	Actual 10/01/12 - 06/30/13
REVENUE		
Iowa Department of Human Rights	\$ 362,638	\$ 280,937
EXPENSE		
Salaries	\$ 201,703	\$ 162,170
Benefits	62,528	48,697
Travel	20,343	9,904
Space Costs	15,000	8,146
Other Costs	25,992	24,451
Equipment	3,800	0
Indirect Costs	33,272	27,569
TOTAL EXPENSE	\$ 362,638	\$ 280,937



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Southern Iowa Economic Development Association
Ottumwa, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Southern Iowa Economic Development Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Southern Iowa Economic Development Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Iowa Economic Development Association's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Iowa Economic Development Association's internal control.

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 that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

November 21, 2013
Madison, Wisconsin



Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance

Board of Directors
Southern Iowa Economic Development Association
Ottumwa, Iowa

Report on Compliance for Each Major Federal Program

We have audited Southern Iowa Economic Development Association's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Southern Iowa Economic Development Association's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management of Southern Iowa Economic Development Association is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southern Iowa Economic Development Association's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southern Iowa Economic Development Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide legal determination Southern Iowa Economic Development Association's compliance.

Opinion on Each Major Program

In our opinion, Southern Iowa Economic Development Association complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Southern Iowa Economic Development Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southern Iowa Economic Development Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southern Iowa Economic Development Association's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.


Wipfli LLP

November 21, 2013
Madison, Wisconsin

Southern Iowa Economic Development Association

Schedule of Findings and Questioned Costs

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Southern Iowa Economic Development Association.
2. No significant deficiencies relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
3. No instances of noncompliance material to the financial statements of Southern Iowa Economic Development Association were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for Southern Iowa Economic Development Association expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Southern Iowa Economic Development Association.
7. The program tested as a major program was the Department of Health and Human Services, CFDA #93.568.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Southern Iowa Economic Development Association was determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

Findings: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit

Findings: None

Questioned Costs: None

Southern Iowa Economic Development Association

Schedule of Findings and Questioned Costs

D. Status of Prior Year Findings

FINANCIAL STATEMENT PREPARATION (063012-01)

Condition

During the audit of Southern Iowa Economic Development Association (SIEDA) for the years ended June 30, 2011 and June 30, 2012, Wipfli provided training and assistance to SIEDA related to the preparation of SIEDA's financial statements. The training included suggested adjusting journal entries to prepare the financial statements in accordance with generally accepted accounting principles. For the year ended June 30, 2012, the extent of the assistance provided by Wipfli was reduced due to improvements SIEDA made in their accounting systems. However, because management relied on Wipfli LLP to provide the necessary understanding of current accounting and disclosure principles in the preparation of the financial statements, a significant deficiency exists in SIEDA's internal controls.

Criteria

OMB Circular A-110, Subpart C.21(b)(3), requires that *...the grant recipient has effective control over and accountability for all funds, property, and other assets.*

Effect

Due to the internal control matter identified, a significant deficiency exists in Southern Iowa Economic Development Association's internal controls.

Recommendation

We recommend Southern Iowa Economic Development Association implement procedures to ensure resources are available to prepare financial statements without auditor training and assistance.

Current Year Status

The recommendation was adopted during the year. No similar findings were noted in the audit for the year ended June 30, 2013.