

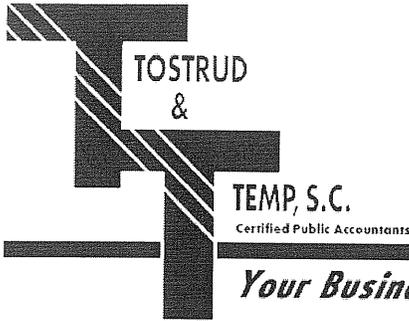
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

EAST CENTRAL
INTERGOVERNMENTAL ASSOCIATION
DUBUQUE, IOWA

JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

Council Members
East Central Intergovernmental
Association
Dubuque, Iowa 52002

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Central Intergovernmental Association (Association) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements as listed in the table of contents.

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 of America; 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Association'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Association, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6.1 - 6.9 and 31 - 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The combining statements and fund financial statements by program, the schedule of expenditures of federal awards, and other supporting schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules and statements are fairly stated in all material respects in relation to the basic 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 October 24, 2014 on our consideration of the 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 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 the Association's internal control over financial reporting and compliance.

Retired + Temp, S. C.

October 24, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The East Central Intergovernmental Association (ECIA) is a membership supported organization of local governmental bodies in Cedar, Clinton, Delaware, Dubuque, and Jackson Counties in eastern Iowa. The purpose of ECIA is to provide management and technical assistance to local government staff and elected officials.

ECIA exists because of a need for local governments facing similar problems to cooperate in finding solutions. This cooperative effort, through ECIA membership, provides greater resources to local governments than they would be able to afford individually. The sharing of resources and discussion of common concerns vastly improves the quality and consistency of solutions to local and regional problems. Costs are held at a level that allows all local governments in the region to participate. ECIA strives to provide "A Regional Response to Local Needs."

As management of ECIA, we offer the readers of ECIA's financial statements this narrative overview and analysis of the financial activities of ECIA for the year ended June 30, 2014. The financial statements of ECIA consist of the operations of ECIA (a planning agency) and Workforce Investment Act (WIA) (job training and retraining programs administered by ECIA). The financial statements do not include ECIA Business Growth, Inc., the Eastern Iowa Regional Utility Service Systems (EIRUSS), the Eastern Iowa Regional Housing Authority (EIRHA) or the Delaware, Dubuque and Jackson County Regional Transit Authority (RTA), which have been formed as separate and distinct entities. We encourage readers to consider the information presented here in conjunction with ECIA's financial statements, which follow this discussion and analysis.

Fiscal Year 2014 marked the 40th year that ECIA has been serving its member communities. ECIA began with a vision to create a forum for local governments to discuss and evaluate common problems and issues and to assist in strengthening the effectiveness and efficiency of local government. Since 1974, ECIA has successfully secured for our member governments over \$141,000,000 in Community Development Block Grants and flood related grants with over \$83,000,000 in local match for a total in excess of \$225,000,000 in community development related projects in our region. The Eastern Iowa Regional Housing Authority began in 1978 with 126 Section 8 Certificates. Today, we assist more than 950 households each month with over \$3.5 million annually in rental assistance in the region. Since 1983, Business Growth has approved 289 loans to businesses in the region totaling over \$90,000,000 creating 3,700 jobs and retaining more than 1,200 jobs. In addition to the loans, staff have assisted 45 businesses in obtaining more than \$17,000,000 in grants, forgivable loans or zero interest loans with investments in the region totaling more than \$414,000,000. The Regional Planning Affiliation has programmed more than \$17 million in Surface Transportation for our region and DMATS has programmed more than \$28 million in road and trail funding that has been allocated to the region for priority projects. Finally, since ECIA began managing the Employment and Training Programs in Partnership with Upper Explorerland, our counterpart through the Job Training Partnership Act program (JTPA), over 5,000 participants came through our doors and met with our Region 1 staff. Through the Workforce Investment Act program, that number increased to over 15,000 participants. We are very proud of the services we provide that impact so many lives in many different ways throughout the region.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

While this milestone was a cause for celebration, FY 2014 was also a year filled with challenges. Funding cuts across all of the ECIA, EIRHA and WIA programs led management to seek out ways to reduce costs while still providing quality service to our member communities. A wage freeze was implemented as well as a staff furlough of 4 hours per week for the first quarter of the fiscal year. ECIA switched to a high deductible health plan for employees, reducing premium costs and encouraging staff to become more involved in healthcare choices. Conference, travel and training were limited and staff were encouraged to find ways to save money within their individual departments. ECIA's building loan was refinanced thereby reducing interest expense. By the middle of the fiscal year, the funding outlook had shifted and ECIA was able to end the year in a positive financial position.

As we look to fiscal 2015 and beyond, it is important that ECIA continues to be the resource for fulfilling the needs of our members. We will continue to strive to maximize the return on investment of our member communities and bring additional dollars and resources to our region.

FINANCIAL HIGHLIGHTS

- The assets of ECIA exceeded its liabilities at June 30, 2014 by \$421,821 (net position). This amount may be used to meet ECIA's ongoing obligations to member communities and creditors.
- ECIA's net position increased by 10.9%, or \$41,489, from June 30, 2013 to June 30, 2014.
- As of the close of the fiscal year, ECIA's fund balance was \$609,149, an increase of \$50,019 in comparison with the prior year.
- Total revenues decreased 4.3%, or \$338,115, from fiscal 2013 to fiscal 2014. This was primarily due to a decrease in CDBG grant administration as a result of flood related grants ending in fiscal 2013. Total expenditures decreased 4.4%, or \$339,174 from fiscal 2013 to fiscal 2014. This was primarily due to staff reductions and a decrease in the conference and travel budgets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to ECIA's basic financial statements. The financial statements included in this report are designed to provide readers with a broad overview of ECIA's finances, in a manner similar to a private sector business. ECIA utilizes the accrual basis of accounting, which recognizes revenues and expenses when earned, regardless of when cash is received or paid. The following statements are included in this report:

- Statement of Net Position – This statement presents information on all of ECIA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of ECIA is improving or deteriorating.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

- Statement of Activities – This statement is prepared on the accrual basis of accounting and presents functional expenses offset by revenue sources that are directly related.
- Balance Sheet Governmental Funds – This statement is prepared on the current financial resources measurement focus that generally only includes current assets and current liabilities.
- A reconciliation between the Balance Sheet – Governmental Funds and the Statement of Net Position.
- Statement of Revenues, Expenditures and Changes in Fund Balance – This statement is prepared on the modified accrual basis of accounting and reports ECIA's operating revenue by major source, along with operating expenses.
- A reconciliation between the full accrual basis accounting statement (Statement of Activity) and the modified accrual basis statement (Statement of Revenues, Expenses and Changes in Fund Balance).
- Notes to financial statements – This section provides additional information that is essential to a full understanding of the data provided in the financial statements.
- Supplemental Information – In addition to the basic financial statements and accompanying notes, this section of the report presents certain required supplementary information, providing detailed information by program and by project, as well as a schedule of Federal Financial Assistance.

ANALYSIS OF NET POSITION

As previously noted, net position may serve over time as a useful indicator of ECIA's financial position. As reflected in the following table, ECIA's net position increased by \$41,489 from a year ago. The analysis that follows illustrates the changes in the components that make up net position.

CONDENSED STATEMENT OF NET POSITION				
	2014	2013	DOLLAR CHANGE	PERCENT CHANGE
Cash and investments	431,902	206,669	225,233	109.0%
Other Current Assets	594,836	1,019,211	(424,375)	-41.6%
Capital Assets	1,119,257	1,166,792	(47,535)	-4.1%
Total Assets	2,145,995	2,392,672	(246,677)	-10.3%
Current Liabilities	466,136	720,378	(254,242)	-35.3%
Long-Term Liabilities	1,258,038	1,291,962	(33,924)	-2.6%
Total Liabilities	1,724,174	2,012,340	(288,166)	-14.3%
Unrestricted	421,821	380,332	41,489	10.9%
Total Net Position	421,821	380,332	41,489	10.9%

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Total assets decreased \$246,677 to \$2,145,995. This included an increase in cash of \$225,233 due to the timing of the payment of receivables at year end, a decrease of \$191,700 in accounts receivable, a decrease of \$228,696 in grants receivable, a decrease of \$3,979 in prepaid expenses and a decrease of \$47,535 in net depreciable assets resulting from regular depreciation.

Current liabilities include the balance on ECIA's line of credit, accounts payable, unearned grant revenue, prepaid membership fees and accrued liability for compensated absences. The decrease of \$254,242 in this category was mainly due to a decrease in the line of credit balance from \$163,999 at the end of FY13 to a balance of \$0 at the end of FY14, a decrease of \$76,700 in unearned grant revenue resulting from pass-thru grants payable at the end of FY13 which were paid in early FY14 and a decrease of \$13,701 in the liability for compensated absences due to staff furloughs in the first half of FY14.

The Long-term liability line item reflects the Note Payable on the ECIA facility and ECIA's accrued liability for post employment benefit plans. Of the total outstanding debt balance, \$48,547 is classified as current and \$1,258,038 as long-term.

ANALYSIS OF REVENUES AND EXPENDITURES

In FY 2014 and FY 2013, total revenues were \$7,497,256 and \$7,835,371 respectively, a decrease of approximately \$338,000 or 4.3%. Total expenditures for the same period decreased \$339,000 or 4.4%. A comparison of income and expenditures is outlined in the following table.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

	2014	2013	NET CHANGE	PERCENT CHANGE
REVENUES				
Federal	3,598,933	3,209,465	389,468	12.1%
State of Iowa	41,914	38,380	3,534	9.2%
State of Wisconsin	243	190	53	27.9%
Membership Fees	111,373	104,995	6,378	6.1%
Fees and assessments	877,477	914,068	(36,591)	-4.0%
EIRHA	1,400,991	1,434,154	(33,163)	-2.3%
CDBG Admin	275,815	750,004	(474,189)	-63.2%
ECIA Business Growth	265,272	283,126	(17,854)	-6.3%
Workforce Investment Act	290,622	409,452	(118,830)	-29.0%
EIRUSS	85,332	68,986	16,346	23.7%
RTA	504,632	547,480	(42,848)	-7.8%
Interest	748	486	262	53.9%
Miscellaneous	43,904	74,585	(30,681)	-41.1%
Total Revenues	7,497,256	7,835,371	(338,115)	-4.3%
EXPENDITURES				
Salaries, wages and benefits	3,827,045	4,287,688	(460,643)	-10.7%
Office supplies & operating materials	35,208	49,455	(14,247)	-28.8%
Conference and training	35,053	58,985	(23,932)	-40.6%
Business travel	107,787	168,638	(60,851)	-36.1%

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-CONTINUED

	2014	2013	NET CHANGE	PERCENT CHANGE
Printing	20,741	23,863	(3,122)	-13.1%
Equip rental and maint	6,281	4,780	1,501	31.4%
Office maintenance	4,616	5,008	(392)	-7.8%
Insurance and bonding	31,239	30,466	773	2.5%
Dues and subscriptions	19,288	19,858	(570)	-2.9%
Telephone	34,282	36,185	(1,903)	-5.3%
Postage	27,991	31,138	(3,147)	-10.1%
Rent	12,312	14,966	(2,654)	-17.7%
Utilities	19,381	21,227	(1,846)	-8.7%
Advertising	5,361	10,658	(5,297)	-49.7%
Professional fees	65,060	70,862	(5,802)	-8.2%
Marketing	11,529	43,804	(32,275)	-73.7%
Equipment purchases	0	21,593	(21,593)	-100.0%
Long-term debt principal	55,042	59,732	(4,690)	-7.9%
Interest Expense	56,322	70,214	(13,892)	-19.8%
Miscellaneous	4,289	20,228	(15,939)	-78.8%
Pass through grant expense	2,747,673	2,054,280	693,393	33.8%
WIA program costs	326,737	688,783	(362,046)	-52.6%
Total Expenditures	7,453,237	7,792,411	(339,174)	-4.4%
Excess of Revenues over Expenditures	44,019	42,960	1,059	2.5%
Proceeds From Sale of Fixed Assets	6,000	0	6,000	100.0%
	6,000	0	6,000	
Excess of Revenues and Other				
Financing Sources over Expend	50,019	42,960	7,059	16.4%
Beginning Fund Balance	559,130	516,170	42,960	
Ending Fund Balance	609,149	559,130	50,019	8.9%

Federal funding increased by \$389,000 primarily due to the increased activity in the Jumpstart program as funds for the NP5 Multi-family Rental Unit Production program were passed through to Southeast Iowa Regional Planning Commission. Funding received from the State of Iowa decreased by \$3,500 due to reduced funding for Prosperity Eastern Iowa regional economic development efforts. CDBG administration income decreased \$474,000 due to the decreased activity in the flood recovery programs as many flood related grants ended in FY13. Income from the WIA program decreased by \$119,000 due to a reduction in formula funding resulting from decreased unemployment in the region. EIRUSS admin income increased \$16,000 primarily due to increased administration time on the Fairview and Leisure Lake wastewater projects. Interest income increased by \$262 or 54 percent due to higher cash balances in FY14 resulting from more timely collection of accounts and grants receivable.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Salaries, wages and benefits decreased \$461,000 primarily due to staff reductions necessitated by decreased funding as well as staff furloughs in the first quarter of FY14. Two positions in the CDBG program were eliminated in the middle of FY13 and one in the third quarter of FY14. The two remaining Promise Jobs positions were eliminated in early FY13 when the State took over management of that program. The Finance Coordinator, Assistant Executive Director and GIS Specialist positions were not refilled when those individuals left the positions and their duties were reassigned to existing staff.

Office supplies expense decreased \$14,247 due to the reduction in staff as well the implementation of cost savings measures such as two sided printing, increased use of email communication and limiting the printing of materials received via email. Conference and training expense decreased approximately \$24,000 and business travel decreased approximately \$61,000 due to the reduction in staff as well as management's limit on conference and training attendance due to funding cuts. Printing decreased approximately \$3,000 due to reduced copier usage. Equipment rental/maintenance increased \$1,500 due to increased use of the color copier which has a higher per copy cost. Postage decreased \$3,100 due to a reduction in CDBG program mailings related to flood recovery programs.

Advertising decreased \$5,300 as FY13 included marketing expense for the first year of the Jule Nightrider Route which was funded by the Iowa DOT through an ICAAP grant. In FY14, the DOT contracted directly with the City of Dubuque for operation of this bus route. Rent decreased \$2,600 due to the renegotiation of the lease for WIA staff office space in Dubuque and the elimination of the WIA Manchester office in September, 2013. Marketing decreased by approximately \$32,000 due to decreased PEI grant funding from the State of Iowa in FY14. Equipment purchases decreased \$21,000 as management opted not to purchase any equipment in FY14 due to budget constraints. Interest expense decreased approximately \$14,000 due to the refinancing of the building loan in July 2014. The interest rate was reduced from 5.2% to 3.5%. Miscellaneous expense decreased approximately \$16,000 as FY13 included damages to the ECIA building resulting from a lightning strike. This expense was fully reimbursed by insurance. Pass through grant expenses increased approximately \$690,000 due to the activity in the NP5 Federal Jumpstart program. WIA program costs decreased \$362,000 as a result of the decrease in formula grant funding. Proceeds from the sale of fixed assets increased \$6,000 as one agency vehicle was sold during the fiscal year.

OVERVIEW OF BUDGETS

ECIA annually adopts a budget on a basis consistent with accounting principles generally accepted in the United States of America. Budgets are adopted for the general fund and appropriations lapse at fiscal yearend. Salaries and operating expenses are allocated in accordance with a pre-approved "Cost Allocation Plan."

The ECIA Council approved one budget amendment in May 2014. Differences between the original budget and the final amended budget can be summarized as follows:

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

- The original revenue budget of \$5,643,474 was increased to \$6,685,612, an increase of approximately \$1.04 million. This was primarily due to an increase in Jumpstart program activity.
- The original expenditure budget of \$5,590,667 was increased to \$6,643,374, an increase of \$1.05 million. This increase was also primarily due to the increase in Jumpstart program activity.

The Salary/benefit expense budget was decreased by \$175,000 due to staff reductions in the Admin, Transportation and Community Development departments. The office supplies budget was decreased \$13,000 due to the need for fewer supplies as a result of staff reductions. The conference and training budget was reduced by \$17,000 and the business travel budget reduced by \$30,000 primarily due to staff reductions and limits on travel set by management. The postage budget was decreased \$4,000 due to reduced mailings by the CDBG department. The advertising budget was reduced by \$6,500 due to The Jule paying for advertising expenses directly. The marketing budget was decreased by \$17,000 due to reduced PEI funding received in FY14. The Equipment budget was reduced to \$0 as the decision was made not to purchase a high speed copier/scanner as was originally budgeted. The interest expense budget was increased by \$10,000 as the original budget had understated interest expense. The miscellaneous expense budget was decreased by \$4,900 as the cost of wellness program health assessments, originally included in this line item, were included as a component of business expense. Pass-through grant expense was increased by \$1.3 million due to the increase in Jumpstart NP5 program activity.

RESULTS OF OPERATIONS

ECIA's management was pleased with the operating results for the fiscal year ending June 30, 2014. The amended budget anticipated an increase in fund balance of \$49,238. Actual results of operations reflected an increase in fund balance of \$50,019.

Operating revenues were approximately \$485,000 or 7.3% higher than budgeted. Operating expenditures were approximately \$483,000 or 7.3% more than budgeted. The following table details the components of these variances:

COMPARISON OF BUDGET VS. ACTUAL				
REVENUES	BUDGET	ACTUAL	VARIANCE	PERCENT
Federal	2,695,826	3,272,196	576,370	21.4
State of Iowa	10,295	41,914	31,619	307.1
State of Wisconsin	243	243	0	0.0
Membership Fees	111,373	111,373	0	0.0
Fees and assessments	898,774	877,477	(21,297)	(2.4)
EIRHA	1,381,332	1,400,991	19,659	1.4
CDBG/EDSA Admin	404,409	275,815	(128,594)	(31.8)
ECIA Business Growth	269,765	265,272	(4,493)	(1.7)
Workforce Investment Act	292,159	290,622	(1,537)	(0.5)
EIRUSS	82,320	85,332	3,012	3.7
Regional Transit Authority	495,577	504,632	9,055	1.8
Interest	721	748	27	3.7
Miscellaneous	42,818	43,904	1,086	2.5
Total Revenues	6,685,612	7,170,519	484,907	7.3
	-6.7-			

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

COMPARISON OF BUDGET VS. ACTUAL-CONTINUED

	BUDGET	ACTUAL	VARIANCE	PERCENT
EXPENDITURES				
Salaries, wages and benefits	3,779,000	3,827,045	48,045	1.3
Office supplies & operating materials	36,000	35,208	(792)	(2.2)
Conference and training	23,000	35,053	12,053	52.4
Business travel	110,000	107,787	(2,213)	(2.0)
Printing	21,000	20,741	(259)	(1.2)
Equip rental and maint	5,700	6,281	581	10.2
Insurance and bonding	31,100	31,239	139	0.4
Dues and subscriptions	20,000	19,288	(712)	(3.6)
Telephone	34,500	34,282	(218)	(0.6)
Postage	28,000	27,991	(9)	(0.0)
Rent	12,300	12,312	12	0.1
Utilities & Maintenance	24,500	23,997	(503)	(2.1)
Advertising	5,500	5,361	(139)	(2.5)
Professional fees	61,000	65,060	4,060	6.7
Marketing	11,000	11,529	529	4.8
Equipment purchases	0	0	0	0.0
Long-term debt principal	46,145	55,042	8,897	19.3
Interest expense	56,629	56,322	(307)	(0.5)
Miscellaneous	3,600	4,289	689	19.1
Pass-through grant expense	2,334,400	2,747,673	413,273	17.7
Total Expenditures	6,643,374	7,126,500	483,126	7.3
Excess of Revenues over Expenditures	42,238	44,019	1,781	4.2
OTHER INCOME				
Proceeds from sale of fixed assets	7,000	6,000	(1,000)	(14.3)
Change in fund balance	49,238	50,019	781	1.6

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2014, ECIA had \$1,119,257 invested in capital assets (net of depreciation), including a building, land, office furniture and equipment and agency vehicles. Total outstanding debt was \$1,188,874, which represents the outstanding balance of the Economic Development Revenue Note used to fund the building and one loan used to purchase an agency vehicle. Outstanding debt exceeds capital assets as the purchase of the land was funded by the Economic Development Revenue Note and subsequently \$169,000 in land was donated to the RTA as match for the RIIF grant which funded the portion of the building owned by the RTA.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

ECIA's management and Council considered many factors when setting the fiscal year 2015 budget and the fees that will be charged for services, endeavoring to keep costs low for our members, while covering staff and overhead costs. Local, State and Federal economic conditions are key indicators for resource availability and ECIA will continue to monitor these conditions as we move ahead into the new fiscal year.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Membership fees will increase from \$.56 to \$.58 per capita in Fiscal 2015. DMATS and RPA members have agreed to pay half of the local match required by their respective programs, dividing the match between counties and communities. The hourly billing rates for all staff will increase 2.5% to keep pace with increases in staff and overhead costs. ECIA will continue to encourage participation in a wellness program for staff in an effort to support behavior conducive to the health of employees and their families, thereby achieving better health and reducing associated health risks.

As we progress into 2015, we will continue to work collaboratively, developing new and building on already successful partnerships, while the staff at ECIA remains committed to building strong and healthy communities and making our region a great place to live and work.

FINANCIAL CONTACT

These financial statements are designed to provide our member communities, funding agencies and creditors with a general overview of ECIA's finances and to show ECIA's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to ECIA's Executive Director or Director of Finance and Human Resources, 7600 Commerce Park, Dubuque, IA 52002.

BASIC FINANCIAL STATEMENTS

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF NET POSITION
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and investments	\$ 431,902
Accounts receivable	452,499
Grants receivable	122,691
Prepaid fees and expenses	19,646
Total current assets	<u>1,026,738</u>
Noncurrent assets	
Property and equipment	
Land improvements	11,121
Building	1,052,275
Equipment and furniture	278,964
	<u>1,342,360</u>
Accumulated depreciation	(437,535)
	<u>904,825</u>
Land	214,432
Total noncurrent assets	<u>1,119,257</u>
Total assets	<u><u>\$ 2,145,995</u></u>
 LIABILITIES	
Current liabilities	
Current portion of long-term obligations	\$ 48,547
Line of credit	-
Accounts payable	44,851
Unearned revenue	
Grants	28,074
Prepaid memberships	17,848
Accrued liabilities	
Vacation and holiday pay	223,237
Other	103,579
Total current liabilities	<u>466,136</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	<u>1,258,038</u>
Total liabilities	<u>1,724,174</u>
NET POSITION	
Net investment in capital assets	-
Unrestricted	421,821
Total net position	<u>421,821</u>
Total liabilities and net position	<u><u>\$ 2,145,995</u></u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF ACTIVITIES
For the year ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Salaries, wages and fringe benefits	\$ 3,594,775	\$ 1,849,219	\$ 1,740,743	\$ -	\$ (4,813)
Office supplies	32,002	16,462	15,497	-	(43)
Conferences and training	34,394	17,693	16,655	-	(46)
Business travel	94,105	48,409	45,570	-	(126)
Printing	19,562	10,063	9,473	-	(26)
Equipment rental and maintenance	6,014	3,094	2,912	-	(8)
Office maintenance	4,616	2,375	2,235	-	(6)
Insurance and bonding	28,996	14,916	14,041	-	(39)
Dues and subscriptions	17,341	8,921	8,397	-	(23)
Telephone	33,589	17,279	16,265	-	(45)
Postage	26,669	13,719	12,914	-	(36)
Rent	-	-	-	-	-
Utilities	19,381	9,970	9,385	-	(26)
Advertising	5,318	2,736	2,575	-	(7)
Professional fees	60,298	31,018	29,199	-	(81)
Marketing	11,529	5,931	5,583	-	(15)
Depreciation	47,535	24,453	23,018	-	(64)
Interest expense	56,322	28,973	27,274	-	(75)
Pass through grant expense	2,747,673	1,413,455	1,330,540	-	(3,678)
Miscellaneous	4,289	2,206	2,077	-	(6)
WIA program costs	326,737	-	326,737	-	-
Total governmental activities	\$ 7,171,145	\$ 3,520,892	\$ 3,641,090	\$ -	(9,163)
General revenues					
					748
Interest					43,904
Miscellaneous					6,000
Gain on sale of fixed assets					<u>50,652</u>
Total general revenues					
Change in net position					41,489
Net position at beginning of year					<u>380,332</u>
Net position at end of year					<u>\$ 421,821</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	ECIA	WIA	
	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and investments	\$ 399,916	\$ 31,986	\$ 431,902
Accounts receivable	452,499	-	452,499
Grants receivable	115,981	6,710	122,691
Due from other funds	27,249	-	27,249
Prepaid fees and expenses	19,646	-	19,646
Total assets	\$ <u>1,015,291</u>	\$ <u>38,696</u>	\$ <u>1,053,987</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Line of credit	\$ -	\$ -	\$ -
Accounts payable	33,404	11,447	44,851
Accrued liabilities			
Vacation and other pay	223,237	-	223,237
Other	103,579	-	103,579
Unearned revenue			
Unearned grant revenue	28,074	-	28,074
Prepaid memberships	17,848	-	17,848
Due to other funds	-	27,249	27,249
Total liabilities	406,142	38,696	444,838
 Fund balance			
Unrestricted			
Committed - building maintenance	60,000	-	60,000
Unassigned	549,149	-	549,149
Total fund balance	609,149	-	609,149
	\$ <u>1,015,291</u>	\$ <u>38,696</u>	\$ <u>1,053,987</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS -
TO THE STATEMENT OF NET POSITION
June 30, 2014

Fund balance - governmental funds	\$	609,149
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Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balances because:

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are as follows:

Governmental capital assets	\$ 1,556,792		
Governmental accumulated depreciation	(437,535)		1,119,257

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are as follows:

Vested employee benefits	(117,711)		
General obligation debt	(1,188,874)		(1,306,585)

Total net position - governmental activities	\$	421,821
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**
For the year ended June 30, 2014

	ECIA	WIA	Total
	General Fund	Special Revenue Fund	
Revenues			
Federal	\$ 3,272,196	\$ 326,737	\$ 3,598,933
State of Iowa	41,914	-	41,914
State of Wisconsin	243	-	243
Membership fees	111,373	-	111,373
Fees and assessments	877,477	-	877,477
Economic Development Set-Aside and CDBG grant administration	275,815	-	275,815
Agency service billings			
ECIA Business Growth	265,272	-	265,272
Eastern Iowa Regional Housing Authority (EIHRA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,400,991	-	1,400,991
Workforce Investment Act (WIA) and related programs	290,622	-	290,622
Regional Transit Authority	504,632	-	504,632
EIRUSS	85,332	-	85,332
Interest	748	-	748
Miscellaneous	43,904	-	43,904
Total revenues	7,170,519	326,737	7,497,256
Expenditures			
Salaries, wages and fringe benefits	3,827,045	-	3,827,045
Office supplies	35,208	-	35,208
Conferences and training	35,053	-	35,053
Business travel	107,787	-	107,787
Printing	20,741	-	20,741
Equipment rental and maintenance	6,281	-	6,281
Office maintenance	4,616	-	4,616
Insurance and bonding	31,239	-	31,239
Dues and subscriptions	19,288	-	19,288
Telephone	34,282	-	34,282
Postage	27,991	-	27,991
Rent	12,312	-	12,312
Utilities	19,381	-	19,381
Advertising	5,361	-	5,361

Continued on next page.

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED
For the year ended June 30, 2014

	ECIA	WIA	
	General	Special	
	Fund	Revenue	Total
	Fund	Fund	
Expenditures - Continued			
Professional fees	\$ 65,060	\$ -	\$ 65,060
Marketing	11,529	-	11,529
Equipment purchases	-	-	-
Long-term debt principal	55,042	-	55,042
Interest expense	56,322	-	56,322
Pass through grant expense	2,747,673	-	2,747,673
Miscellaneous	4,289	-	4,289
Program and administrative costs	-	326,737	326,737
	<u>7,126,500</u>	<u>326,737</u>	<u>7,453,237</u>
Total expenditures			
Excess of revenues over expenditures	44,019	-	44,019
Other financing sources			
Proceeds from sale of fixed assets	6,000	-	6,000
Change in fund balance	50,019	-	50,019
Fund balance at beginning of year	559,130	-	559,130
Fund balance at end of year	<u>\$ 609,149</u>	<u>\$ -</u>	<u>\$ 609,149</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the year ended June 30, 2014

Net change in fund balances - total governmental funds \$ 50,019

Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. Assets disposed of for less than book value (cost - accumulated depreciation) are recorded as losses on disposition of fixed assets.

Capital outlay reported in governmental fund statements	\$ -	
Depreciation expense reported in the statement of activities	(47,535)	
Proceeds from sale of fixed assets	(6,000)	
Gain on sale of fixed assets	<u>6,000</u>	(47,535)

Vested employee benefits are reported in the governmental fund statements when amounts are paid. The statement of activities reports the value of benefits earned during the year:

Special termination benefits paid in current year	5,241	
Special termination benefits earned in current year	<u>(21,278)</u>	
Amounts paid are less than amounts earned by		(16,037)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:	<u>55,042</u>
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Change in net position - governmental activities \$ 41,489

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

East Central Intergovernmental Association is organized pursuant to the provisions of Chapters 473A and 28E of the Code of Iowa as a regional planning organization designed to assist local governments in cooperating with one another. The East Central Intergovernmental Association consists of a council of thirty locally elected and appointed officials from the counties of Cedar, Clinton, Delaware, Dubuque, and Jackson. This council, along with ECIA staff, seeks to coordinate relationships among local municipalities, improve communications with federal and state governments and to provide planning and programming assistance.

For financial reporting purposes, the Association has included all of its funds, organizations, agencies, and boards. The Association has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Association to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Association. The financial statements presented herein do not include E.C.I.A. Business Growth, Inc., Eastern Iowa Regional Housing Authority, the Eastern Iowa Regional Utility Service Systems Commission, or the Delaware, Dubuque and Jackson County Regional Transit Authority, which have been formed as separate and distinct entities.

The financial statements of the Association consist of the following operations: East Central Intergovernmental Association (a planning agency) and Workforce Investment Act (WIA) (job training and retraining programs administered by the East Central Intergovernmental Association).

2. Basis of Presentation

Association-wide Statements - The Statement of Net Position and the Statement of Activities present financial information about the Association's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Association has no business-type activities or fiduciary funds. However, such activities or funds would be included in these financial statements if they existed.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

Association-wide Statements - Continued - The Statement of Activities presents a comparison between direct/indirect expenses and revenues for each program of the Association's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular program/grant. Indirect expenses are common entity-wide expenses allocated to programs based on direct labor costs. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements - The fund statements provide information about the Association's funds. Separate statements for each fund category -- governmental, proprietary, and fiduciary, as applicable -- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, as applicable, with each displayed in a separate column. All remaining governmental and enterprise funds, as applicable, are aggregated and reported as non-major funds. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Association reports the following major governmental funds:

General fund - This is the Association's primary operating fund. All financial activity not required to be accounted for in another fund is accounted for in the general fund.

Special revenue fund - This fund accounts for activities associated with providing job training and retraining programs. Revenue sources consist entirely of grants received from the federal government.

3. Measurement Focus and Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Association considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

Proceeds of general long-term debt and fixed asset acquisitions made under capital leases are reported as other financing sources. Under the terms of grant agreements, the Association may fund certain programs by a combination of specific cost-reimbursement grants, service fees, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the Association's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

4. Budgets

The Association, although not legally required to do so, annually adopts a budget on a basis consistent with accounting principles generally accepted in the United States of America. A budget is adopted for the general fund and special revenue fund annually and is amended upon Board approval. Appropriations lapse at fiscal year end. The adopted budget and budgetary expenditure control is exercised at the expenditure type level (salaries, rent, etc.).

5. Cash and Investments

The Association's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. The Association's investment policy permits investment of available cash balances in time deposits at any bank or credit union in the State of Iowa, U.S. Treasury obligations, U.S. agency issues and certain repurchase agreements. All investments are stated at fair market value.

6. Receivables

Any amounts reported on the Statement of Net Position for due to and due from other funds represent amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Capital Assets

Capital assets are reported at actual cost if available. Estimated cost is used when actual cost is not determinable. Donated assets are reported at estimated fair market value on the date received. Repairs and maintenance are recorded as expenditures; replacements and betterments that extend an asset's life by greater than one year are capitalized.

8. Depreciation

The Association provides for depreciation of equipment and leasehold improvements using annual rates that are sufficient to amortize the cost of depreciable assets over their estimated useful lives using the straight-line method of depreciation.

Estimated useful lives are as follows:

Land and building improvements	5-20 years
Building	40 years
Computer equipment	1-3 years
Furniture and equipment	3-10 years
Vehicles	3 years

9. Retirement Plans

Association employees participate in the Iowa Public Employees Retirement System (IPERS). All contributions made by the Association on behalf of its employees are reported as expenditures when earned.

10. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures, as appropriate. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as revenues in the fund that is reimbursed.

11. Estimates

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

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Subsequent Events

The Association has evaluated subsequent events through October 24, 2014, the date which the financial statements were available to be issued.

NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND ASSOCIATION-WIDE STATEMENTS

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities.
- b. Capital related differences between recording expenditures for the purchase of fixed assets in the governmental fund statements and capitalizing fixed assets in the Statement of Net Position and recording depreciation expense on all fixed assets in the Statement of Activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease in liabilities, as applicable, in the Statement of Net Position, and interest expense is recorded in the Statement of Activities as incurred.
- d. Inter-fund transactions are differences that arise because governmental funds include billings for services provided by the Association's general fund to the special revenue fund. These inter-fund transactions are eliminated on the Statement of Activities.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND ASSOCIATION-WIDE STATEMENTS - CONTINUED

	Total Governmental Funds	Long-term Revenue/ Expenses	Capital Related Items	Long-term Debt Transactions	Inter-fund Transactions	Statement of Activities Total
Revenues and other sources						
Federal	\$ 3,598,933	\$ -	\$ -	\$ -	\$ -	\$ 3,598,933
State of Iowa	41,914	-	-	-	-	41,914
State of Wisconsin	243	-	-	-	-	243
Membership fees	111,373	-	-	-	-	111,373
Fees and assessments	877,477	-	-	-	-	877,477
Economic Development Set-Aside and CDBG grant administration	275,815	-	-	-	-	275,815
Agency service billings						
ECIA Business Growth	265,272	-	-	-	-	265,272
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,400,991	-	-	-	-	1,400,991
Workforce Investment Act (WIA) and related programs	290,622	-	-	-	(290,622)	-
Regional Transit Authority	504,632	-	-	-	-	504,632
EIRUSS	85,332	-	-	-	-	85,332
Interest	748	-	-	-	-	748
Miscellaneous	43,904	-	-	-	-	43,904
Proceeds from sale of fixed assets	6,000	-	(6,000)	-	-	-
Gain on sale of fixed assets	-	-	6,000	-	-	6,000
Total revenues	7,503,256	-	-	-	(290,622)	7,212,634
Expenditures						
Salaries, wages and fringe benefits	3,827,045	16,037	-	-	(248,307)	3,594,775
Office supplies	35,208	-	-	-	(3,206)	32,002
Conferences and training	35,053	-	-	-	(659)	34,394
Business travel	107,787	-	-	-	(13,682)	94,105
Printing	20,741	-	-	-	(1,179)	19,562
Equipment rental and maintenance	6,281	-	-	-	(267)	6,014
Office maintenance	4,616	-	-	-	-	4,616
Insurance and bonding	31,239	-	-	-	(2,243)	28,996
Dues and subscriptions	19,288	-	-	-	(1,947)	17,341
Telephone	34,282	-	-	-	(693)	33,589
Postage	27,991	-	-	-	(1,322)	26,669
Rent	12,312	-	-	-	(12,312)	-
Utilities	19,381	-	-	-	-	19,381
Advertising	5,361	-	-	-	(43)	5,318
Professional fees	65,060	-	-	-	(4,762)	60,298
Marketing	11,529	-	-	-	-	11,529
Depreciation	-	-	47,535	-	-	47,535
Equipment purchases	-	-	-	-	-	-
Long-term debt principal	55,042	-	-	(55,042)	-	-
Interest expense	56,322	-	-	-	-	56,322
Pass through grant expense	2,747,673	-	-	-	-	2,747,673
Miscellaneous	4,289	-	-	-	-	4,289
WIA program costs	326,737	-	-	-	-	326,737
Total expenditures	7,453,237	16,037	47,535	(55,042)	(290,622)	7,171,145
Net change for the year	\$ 50,019	\$ (16,037)	\$ (47,535)	\$ 55,042	\$ -	\$ 41,489

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE C - CASH DEPOSITS - CONTINUED

Concentration of Credit Risk

Concentration of credit risk is defined as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Association diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the government's deposits might not be recovered. At June 30, 2014 the Association's deposits of \$187,544 that were in excess of FDIC insurance were covered by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. Amounts in excess of FDIC insurance varied during the year.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Association does not have an investment policy that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE

At June 30, 2014, the Association had the following accounts and grants receivable outstanding:

Accounts Receivable

Eastern Iowa Regional Housing Authority	\$ 109,310
Eastern Iowa Regional Partnership, LLP	786
Eastern Iowa Regional Housing Corp.	4,494
Eastern Iowa Development Corp.	8,233
E.I.R.U.S.S	31,077
Local contract charges	130,063
E.C.I.A. Business Growth, Inc.	15,655
Regional Transit Authority	49,329
Asbury EIRP, LLLP	2,731
Other	<u>100,821</u>
Total	\$ <u>452,499</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE - CONTINUED

Grants Receivable - ECIA	
Iowa DOT - FHWA planning	\$ 35,324
Iowa DOT - MPO	37,449
Wisconsin DOT - MPO	3,994
Illinois DOT	9,390
Jumpstart	1,964
EDA Grant	27,860
	115,981
 Grants Receivable - WIA	
WIA Grants	6,710
Total grants receivable	\$ 122,691

NOTE E - PENSION AND RETIREMENT BENEFITS

The Association 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 that 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 5.95% of their annual salary and the Association is required to contribute 8.93% of annual covered payroll to the plan. Contribution requirements are established by state statute. The Association's contribution to IPERS for the year ended June 30, 2014 of \$241,476 is equal to the required contribution for the year. The Association's contributions for the years ended June 30, 2013 and 2012 were \$264,849 and \$270,234, respectively, equal to the required contributions for those years.

NOTE F - COMPENSATED ABSENCES

Association employees accumulate vacation hours for subsequent use or for payment upon termination, retirement or death. Sick leave hours accumulate for subsequent use and are not recognized as expenditures by the Association until used. The Association's approximate liability for unrecognized accrued employee benefits at June 30, 2014 is as follows:

Sick leave	\$ 557,222
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Sick leave is accumulated at a rate of one day per month to a maximum accumulation of 100 days. Use of sick leave is available only to employees of record. There is no payoff of unused accumulated sick leave upon termination.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE G - OPERATING LEASE COMMITMENTS

The Association has modified a lease to rent office space in Dubuque from September 1, 2013 to November 30, 2017. The modified lease requires monthly payments of \$1,026. The Association also signed a lease to rent a mailing machine through July 31, 2017, payable in quarterly payments of \$311.28.

Future minimum lease payments are as follows:

June 30, 2015	\$	13,557
2016		13,557
2017		13,557
2018		5,234
	\$	<u>45,905</u>

NOTE H - FIXED ASSETS

A summary of changes in property and equipment comprising general fixed assets is as follows:

	Balance at <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2014</u>
Land (non-depreciable)	\$ 214,432	\$ -	\$ -	\$ 214,432
Land improvements	11,121	-	-	11,121
Building	1,052,275	-	-	1,052,275
Equipment and furniture	<u>297,997</u>	<u>-</u>	<u>19,033</u>	<u>278,964</u>
Subtotal	1,575,825	-	19,033	1,556,792
Less accumulated depreciation				
Land improvements	9,841	1,029	-	10,870
Building	130,303	26,307	-	156,610
Equipment and furniture	<u>268,889</u>	<u>20,199</u>	<u>19,033</u>	<u>270,055</u>
	<u>409,033</u>	<u>47,535</u>	<u>19,033</u>	<u>437,535</u>
Total	<u>\$ 1,166,792</u>	<u>\$ (47,535)</u>	<u>\$ -</u>	<u>\$ 1,119,257</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE I - GENERAL LONG-TERM OBLIGATIONS

Long-term debt transactions for the year ended June 30, 2014 are as follows:

	Balance at July 1, 2013	Additions	Deletions	Balance at June 30, 2014
Notes payable	\$ 1,243,916	\$ -	\$ 55,042	\$ 1,188,874
Vested employee benefits	101,674	21,278	5,241	117,711
	<u>\$ 1,345,590</u>	<u>\$ 21,278</u>	<u>\$ 60,283</u>	<u>\$ 1,306,585</u>

Long-term notes payable at June 30, 2014 is comprised of the following:

<u>Description</u>	<u>Balance at June 30, 2014</u>	<u>Due Within One Year</u>
\$17,203 commercial loan from DuTrac Community Credit Union dated August 10, 2011 and due in monthly installments of \$506, including interest at 3.74% per annum until August 10, 2014.	\$ 1,008	\$ 1,008
\$1,392,281 Economic Development Revenue Note, Series 2007 dated October 5, 2007 and due in monthly installments of \$7,363, including interest at 3.5% per annum until October 1, 2032.	<u>1,187,866</u>	<u>47,539</u>
Total	<u>\$ 1,188,874</u>	<u>\$ 48,547</u>

East Central Intergovernmental Association
 Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 June 30, 2014

NOTE I - GENERAL LONG-TERM OBLIGATIONS - CONTINUED

The annual requirements needed to amortize the long-term notes payable of the Association as of June 30, 2014, are as follows:

Year ended June 30,	Principal	Interest	Total
2015	\$ 48,547	\$ 40,821	\$ 89,368
2016	49,230	39,126	88,356
2017	50,981	37,375	88,356
2018	52,794	35,562	88,356
2019	54,672	33,684	88,356
2020-2024	303,947	137,833	441,780
2025-2029	361,983	79,797	441,780
2030-2033	266,720	15,590	282,310
	<u>\$ 1,188,874</u>	<u>\$ 419,788</u>	<u>\$ 1,608,662</u>

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Association provides various early retirement benefits to eligible staff. The benefit is determined based on position, longevity and union membership (if applicable). Employees who retire at age 55 or older with 10 years of service and already participating in the health insurance plan at retirement, may remain on the Association's health insurance until the employee is eligible for Medicare. Retirees pay the full cost of the insurance premium with no surviving spouse provisions. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required in Governmental Accounting Standards Board (GASB) Statement No. 45 in the Statement of Activities. There was one retiree receiving benefits and two employees were eligible to receive benefits in the fiscal year ended June 30, 2014.

Actuarial methods and assumptions. The actuarial assumptions used are as prescribed in GASB 45 under the Alternate Measurement Method. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and used to determine the Other Post-Employment Benefits (OPEB) liability of the Association include using Projected Unit Credit with linear proration to decrement method, a 4% discount rate based on the plan being on a pay-as-you-go method, and an initial healthcare trend rate of 10.0% in 2014 with a one-half percent per

East Central Intergovernmental Association
 Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 June 30, 2014

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

year decrease annually until leveling off in 2024 and later at 5%. The UAAL is being amortized over 30 years using a level percent of pay based on an open group, with 28 years of amortization remaining as of June 30, 2014. Demographic assumptions are based on industry assumptions with some consideration given to differences exhibited by the employees of the Association.

The discount rate was chosen assuming that the plan will be funded on a pay-as-you-go basis. If the Association chooses to fund the plan into an irrevocable trust, the discount rate must be adjusted accordingly to reflect the rate of return on the assets which will be used to pay the benefits.

Funding Policy. The plan is being funded on a pay-as-you-go basis.

Annual Pension Cost and Net Pension Obligation. The Association's annual pension cost and net pension obligation for the current year is:

Component	Amount
Annual required contribution (ARC)	\$ 21,247
Adjustment to the ARC	(4,036)
Interest on net pension obligation	4,067
Annual pension cost (expense)	21,278
Pension payments made	(5,241)
Increase in net pension obligation	16,037
Net pension obligation - beginning of year	101,674
Net pension obligation - end of year	\$ 117,711

Funded Status and Funding Progress. The Association implemented GASB Statement No. 45 for the first time for the fiscal year ending June 30, 2010. See page 30 for information on funding status and progress.

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2014	\$ 21,278	24.63%	\$ 117,711
6/30/2013	21,270	41.96%	101,674
6/30/2012	29,776	0.00%	89,328
6/30/2011	29,776	0.00%	59,552
6/30/2010	29,776	0.00%	29,776

GASB Statement No. 45 required that the Association implement this new standard for the fiscal year 2010, which began July 1, 2009. The Association chose to implement this standard prospectively, meaning that the liability started at zero on July 1, 2009, but the liability will grow every year that the Association does not make contributions equal to the annual OPEB cost.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2014

NOTE K - SHORT-TERM NOTES PAYABLE

The Association had a balance of \$0 on a line of credit at June 30, 2014. The line of credit, dated January 15, 2014, has a credit limit of \$600,000 and matures July 1, 2014. The line of credit has an interest rate that is variable based on the Wall Street Journal U.S. Prime Rate as published in the Wall Street Journal. The rate at June 30, 2014 was 4.5%. The Association had interest expense of \$369 on short-term borrowing in the current year.

NOTE L - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following expenditures had an excess of actual expenditures over budget for the year ended June 30, 2014:

General Fund		
Salaries, wages and fringe benefits	\$	48,045
Conferences and training		12,053
Equipment rental and maintenance		581
Insurance and bonding		139
Rent		12
Professional fees		4,060
Marketing		529
Long-term debt principal		8,897
Pass-through grant expense		413,273
Miscellaneous		689
Workforce Investment Act		
Program costs		6,737

NOTE M - RISK MANAGEMENT

The Association 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. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

East Central Intergovernmental Association

Dubuque, Iowa

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR

POST-EMPLOYMENT BENEFIT PLANS

Year ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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Other Post-employment Benefits

6/30/2014	\$ -	\$ 167,560	\$ 167,560	0.00%	\$ 2,380,725	7.04%
6/30/2013	\$ -	\$ 167,560	\$ 167,560	0.00%	\$ 2,837,529	5.91%
6/30/2012	\$ -	\$ 201,540	\$ 201,540	0.00%	\$ 2,805,061	7.18%
6/30/2011	\$ -	\$ 201,540	\$ 201,540	0.00%	\$ 2,654,547	7.59%
6/30/2010	\$ -	\$ 201,540	\$ 201,540	0.00%	\$ 2,317,451	8.70%

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Amended		
Revenues				
Federal	\$ 1,418,621	\$ 2,695,826	\$ 3,272,196	\$ 576,370
State of Iowa	9,000	10,295	41,914	31,619
State of Wisconsin	243	243	243	-
Membership fees	111,372	111,373	111,373	-
Fees and assessments	865,636	898,774	877,477	(21,297)
Economic Development Set-Aside and CDBG grant administration	439,514	404,409	275,815	(128,594)
Agency service billings				
ECIA Business Growth	284,208	269,765	265,272	(4,493)
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,465,194	1,381,332	1,400,991	19,659
Workforce Investment Act (WIA) and related programs	453,730	292,159	290,622	(1,537)
Regional Transit Authority	468,394	495,577	504,632	9,055
EIRUSS	77,062	82,320	85,332	3,012
Interest	500	721	748	27
Miscellaneous	50,000	42,818	43,904	1,086
Total revenues	5,643,474	6,685,612	7,170,519	484,907
Expenditures				
Salaries, wages and fringe benefits	3,954,097	3,779,000	3,827,045	(48,045)
Office supplies	49,000	36,000	35,208	792
Conferences and training	40,000	23,000	35,053	(12,053)
Business travel	140,000	110,000	107,787	2,213
Printing	18,000	21,000	20,741	259
Equipment rental and maintenance	4,000	5,700	6,281	(581)
Office maintenance	5,000	5,000	4,616	384
Insurance and bonding	33,000	31,100	31,239	(139)
Dues and subscriptions	23,000	20,000	19,288	712
Telephone	34,000	34,500	34,282	218
Postage	32,000	28,000	27,991	9
Rent	12,000	12,300	12,312	(12)
Utilities	20,000	19,500	19,381	119
Advertising	12,000	5,500	5,361	139
Professional fees	61,000	61,000	65,060	(4,060)
Marketing	28,000	11,000	11,529	(529)
Equipment purchases	10,300	-	-	-
Long-term debt principal	60,555	46,145	55,042	(8,897)
Interest expense	46,225	56,629	56,322	307
Pass-through grant expense	1,000,000	2,334,400	2,747,673	(413,273)
Miscellaneous	8,500	3,600	4,289	(689)
Total expenditures	5,590,677	6,643,374	7,126,500	(483,126)
Excess of revenues over expenditures	52,797	42,238	44,019	1,781

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	
Other income				
Proceeds from sale of fixed assets	\$ 3,500	\$ 7,000	\$ 6,000	\$ (1,000)
	<u>3,500</u>	<u>7,000</u>	<u>6,000</u>	<u>(1,000)</u>
Change in fund balance	56,297	49,238	50,019	781
Fund balance at beginning of year	<u>559,130</u>	<u>559,130</u>	<u>559,130</u>	<u>-</u>
Fund balance at end of year	<u>\$ 615,427</u>	<u>\$ 608,368</u>	<u>\$ 609,149</u>	<u>\$ 781</u>

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WORKFORCE INVESTMENT ACT (WIA)
For the year ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	
Revenues				
Workforce Investment Act (WIA) and related programs	\$ 300,000	\$ 320,000	\$ 326,737	\$ 6,737
Total revenues	300,000	320,000	326,737	6,737
Expenditures				
Administrative expenses	30,963	30,963	30,963	-
Program costs	269,037	289,037	295,774	(6,737)
Total expenditures	300,000	320,000	326,737	(6,737)
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

OTHER SUPPLEMENTARY INFORMATION

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND
For the year ended June 30, 2014

		30	40	45	50	55	56	57	65	66	80
	Totals	FHWA and Section 8 Transportation	General Technical Assistance	ECIA Business Growth	Economic Development Grant	EIRHA	EIRHC	EIRHC TBRA	Tax Credit Housing Programs	EIRHC Housing Counseling	Regional Transit RPA/STP
REVENUES											
Federal	\$ 3,272,196	\$ 308,214	\$ -	\$ -	\$ 101,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,444
State of Iowa	41,914	-	-	-	41,914	-	-	-	-	-	-
State of Wisconsin	243	243	-	-	-	-	-	-	-	-	-
Membership fees	111,373	30,770	4,416	-	30,746	-	-	-	-	-	20,736
Fees and assessments	877,477	97,957	210,015	4,000	63,282	-	-	-	29,702	-	13,875
Economic Development Set-Aside and CDBG grant administration	275,815	-	-	-	-	-	-	-	-	-	-
Agency service billings											
ECIA Business Growth	265,272	-	-	265,272	-	-	-	-	-	-	-
EIRHA/EIRHC	1,400,991	-	-	-	-	1,253,573	7,946	8,213	-	131,259	-
Workforce Investment Act (WIA) and related programs	290,622	-	-	-	-	-	-	-	-	-	-
Regional Transit Authority	504,632	-	-	-	-	-	-	-	-	-	-
EIRUSS	85,332	-	-	-	-	-	-	-	-	-	-
Interest	748	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of equipment	6,000	-	-	-	-	-	-	-	-	-	-
Miscellaneous	43,904	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>7,176,519</u>	<u>437,184</u>	<u>214,431</u>	<u>269,272</u>	<u>237,749</u>	<u>1,253,573</u>	<u>7,946</u>	<u>8,213</u>	<u>29,702</u>	<u>131,259</u>	<u>143,055</u>
EXPENDITURES											
Salaries, wages & fringe benefits	3,827,045	261,317	183,507	228,766	197,968	1,124,810	7,324	6,948	27,835	118,788	122,724
Office supplies	35,208	3,900	3,219	2,025	1,805	10,153	33	65	-	881	1,073
Conferences and training	35,053	6,129	534	5,936	3,384	2,648	16	35	61	251	710
Business travel	107,787	7,735	8,794	6,256	3,922	11,785	53	40	194	874	5,043
Printing	20,741	1,285	1,953	1,193	957	6,269	38	34	132	682	593
Equipment rental and maintenance	6,281	548	383	515	403	1,547	9	23	-	245	307
Office maintenance	4,616	484	320	364	318	1,122	7	23	-	182	158
Insurance and bonding	31,239	2,086	1,412	1,883	1,479	9,183	60	64	232	943	1,008
Dues and subscriptions	19,288	1,506	740	3,034	958	4,457	36	1	89	342	812
Telephone	34,282	2,117	519	2,535	1,147	13,251	11	18	-	268	1,616
Postage	27,991	349	188	744	137	18,456	35	469	959	165	205
Property taxes	-	-	-	-	-	-	-	-	-	-	-
Rent	12,312	-	-	-	-	-	-	-	-	-	-
Utilities	19,381	1,814	1,211	1,670	1,342	5,007	33	51	-	804	880
Advertising	5,361	196	1,018	230	1,543	630	1	2	5	20	389
Professional fees	65,060	5,563	3,288	4,023	3,261	15,470	96	116	195	1,961	2,369
Marketing	11,529	-	-	-	11,529	-	-	-	-	-	-
Depreciation	47,535	1,133	685	1,304	706	2,682	18	30	-	450	481
Equipment purchases	-	-	-	-	-	-	-	-	-	-	-
Long-term debt principal	55,042	4,397	3,005	3,969	3,133	11,790	79	135	-	2,000	2,115
Interest expense	56,322	5,365	3,655	4,825	3,757	14,313	97	159	-	2,403	2,572
Pass thru grant expense	2,747,673	131,260	-	-	-	-	-	-	-	-	-
Miscellaneous	4,289	-	-	-	-	-	-	-	-	-	-
Total expenditures	<u>7,174,035</u>	<u>437,184</u>	<u>214,431</u>	<u>269,272</u>	<u>237,749</u>	<u>1,253,573</u>	<u>7,946</u>	<u>8,213</u>	<u>29,702</u>	<u>131,259</u>	<u>143,055</u>
Excess of revenues over (under) expenditures	<u>\$ 2,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the year ended June 30, 2014

	85	90	100	121	122	185	200	300	400	410
	CDBG Admin- istration	General	WIA	H1B	Bridges to Healthcare	Pass Through Grants	EDSA PFSA	Eastern Iowa Utility Service Systems	Regional Transit Authority	The Jule
REVENUES										
Federal	\$ 136,949	\$ -	\$ -	\$ -	\$ -	\$ 2,616,782	\$ -	\$ -	\$ -	\$ -
State of Iowa	-	-	-	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-	-	-	-
Membership fees	-	16,883	-	-	-	-	-	-	-	7,822
Fees and assessments	-	-	-	-	-	-	3,816	-	-	454,830
Economic Development Set-Aside and CDBG grant administration	275,815	-	-	-	-	-	-	-	-	-
Agency service billings										
ECIA Business Growth	-	-	-	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-	-	-	-
Workforce Investment Act (WIA) and related programs	-	-	233,665	13,974	42,983	-	-	-	-	-
Regional Transit Authority	-	-	-	-	-	-	-	-	504,632	-
EIRUSS	-	-	-	-	-	-	-	85,332	-	-
Interest	-	748	-	-	-	-	-	-	-	-
Proceeds from sale of equipment	-	6,000	-	-	-	-	-	-	-	-
Miscellaneous	-	43,904	-	-	-	-	-	-	-	-
Total revenues	<u>412,764</u>	<u>67,535</u>	<u>233,665</u>	<u>13,974</u>	<u>42,983</u>	<u>2,616,782</u>	<u>3,816</u>	<u>85,332</u>	<u>504,632</u>	<u>462,652</u>
EXPENDITURES										
Salaries, wages & fringe benefits	354,306	-	193,185	13,733	41,389	-	3,435	72,007	439,867	429,136
Office supplies	3,839	-	3,206	-	-	-	24	657	3,898	430
Conferences and training	1,072	-	616	4	39	-	14	171	6,375	7,058
Business travel	13,697	16,062	13,110	97	475	-	19	3,437	8,080	8,114
Printing	1,697	-	1,107	9	63	-	18	366	2,161	2,184
Equipment rental and maintenance	813	-	267	-	-	-	9	159	980	73
Office maintenance	565	-	-	-	-	-	4	125	883	61
Insurance and bonding	2,874	-	2,116	21	106	-	31	600	3,525	3,616
Dues and subscriptions	1,696	-	1,851	4	92	-	16	275	1,668	1,711
Telephone	4,159	-	693	-	-	-	8	1,041	4,559	2,340
Postage	2,132	-	1,322	-	-	-	4	1,094	1,546	186
Property tax expense	-	-	-	-	-	-	-	-	-	-
Rent	-	-	11,502	91	719	-	-	-	-	-
Utilities	2,602	-	-	-	-	-	26	545	3,121	275
Advertising	379	-	41	-	2	-	-	284	536	85
Professional fees	7,993	-	4,649	15	98	-	61	1,491	8,620	5,791
Marketing	-	-	-	-	-	-	-	-	-	-
Depreciation	1,451	35,804	-	-	-	-	14	287	2,341	149
Equipment purchases	-	-	-	-	-	-	-	-	-	-
Long-term debt principal	6,102	8,896	-	-	-	-	60	1,265	7,450	646
Interest expense	7,387	-	-	-	-	369	73	1,528	9,022	797
Pass thru grant expense	-	-	-	-	-	2,616,413	-	-	-	-
Miscellaneous	-	4,289	-	-	-	-	-	-	-	-
Total expenditures	<u>412,764</u>	<u>65,051</u>	<u>233,665</u>	<u>13,974</u>	<u>42,983</u>	<u>2,616,782</u>	<u>3,816</u>	<u>85,332</u>	<u>504,632</u>	<u>462,652</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 2,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Dubuque, Iowa
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES AND
COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND**
For the year ended June 30, 2014

	30	80
	FHWA and FTA Section 8 Transportation 14MPO-ECIA	Regional Transit RPA 14RPA-08
REVENUES		
Federal - Planning	\$ 308,214	\$ 108,444
State of Wisconsin	243	-
Membership fees	30,770	20,736
Fees and assessments	97,957	13,875
Total revenues	<u>437,184</u>	<u>143,055</u>
EXPENDITURES		
Salaries, wages and fringe benefits	261,317	122,724
Office supplies	3,900	1,073
Conferences and training	6,129	710
Business travel	7,735	5,043
Printing	1,285	593
Equipment rental and maintenance	548	307
Office maintenance	484	158
Insurance and bonding	2,086	1,008
Dues and subscriptions	1,506	812
Telephone	2,117	1,616
Postage	349	205
Utilities	1,814	880
Advertising	196	389
Professional fees	5,563	2,369
Depreciation	1,133	481
Long-term debt principal	4,397	2,115
Interest expense	5,365	2,572
Pass through grant expense	131,260	-
Total expenditures	<u>437,184</u>	<u>143,055</u>
Federal or state participation percentage	<u>80%</u>	<u>80%</u>
Computed project grant earned	<u>\$ 349,747</u>	<u>\$ 114,444</u>
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or:	<u>\$ 308,214</u>	<u>\$ 108,444</u>
Therefore, the grants earned equal:	<u>\$ 308,214</u>	<u>\$ 108,444</u>

East Central Intergovernmental Association
 Dubuque, Iowa
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES AND
 COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND - CONTINUED**
 For the year ended June 30, 2014

50

	United States Department of Commerce Economic Development Planning Grant					EDA Advanced Manufacturing Grant	ICAAP Grant	Collabor- ative Marketing State	Collabor- ative Marketing Other	Total Economic Development
	50-83-05318		05-83-05318.01		Total Fiscal Year					
	Prior Audit 1/1-6/30/13	Current Year 7/1-12/31/13	Total 1/1-12/31/13	Current Year 1/1-6/30/14						
REVENUES										
Federal - EDA	\$ 37,854	\$ 17,946	\$ 55,800	\$ 38,867	\$ 56,813	\$ 39,462	\$ -	\$ -	\$ -	\$ 96,275
Federal - FTA	-	-	-	-	-	-	5,532	-	-	5,532
State of Iowa - Planning	-	-	-	-	-	-	-	31,620	-	31,620
State of Iowa - Other	2,294	8,000	10,294	2,294	10,294	-	-	-	-	10,294
Membership fees	16,605	-	16,605	30,746	30,746	-	-	-	-	30,746
Fees and assessments	2,000	-	2,000	615	615	-	24,765	-	37,902	63,282
Total revenues	58,753	25,946	84,699	72,522	98,468	39,462	30,297	31,620	37,902	237,749
EXPENDITURES										
Salaries, wages and fringe benefits	58,264	36,545	94,809	65,541	102,086	34,523	26,406	20,669	14,284	197,968
Office supplies	471	295	766	934	1,229	366	210	-	-	1,805
Conferences and training	479	300	779	1,793	2,093	847	444	-	-	3,384
Business travel	2,742	1,720	4,462	1,272	2,992	583	347	-	-	3,922
Printing	358	225	583	455	680	155	122	-	-	957
Equipment rental and maintenance	106	66	172	216	282	74	47	-	-	403
Office maintenance	124	78	202	129	207	75	36	-	-	318
Insurance and bonding	524	329	853	720	1,049	264	166	-	-	1,479
Dues and subscriptions	549	344	893	422	766	127	65	-	-	958
Telephone	413	259	672	551	810	212	125	-	-	1,147
Postage	458	75	533	51	126	6	5	-	-	137
Utilities	546	342	888	638	980	229	133	-	-	1,342
Advertising	11	219	230	838	1,057	95	391	-	-	1,543
Professional fees	2,697	1,692	4,389	626	2,318	563	380	-	-	3,261
Marketing and pass through grant expense	-	-	-	-	-	-	578	10,951	-	11,529
Depreciation	463	290	753	213	503	125	78	-	-	706
Long-term debt principal	917	575	1,492	1,399	1,974	714	445	-	-	3,133
Interest expense	1,588	996	2,584	1,938	2,934	504	319	-	-	3,757
Total expenditures	70,710	44,350	115,060	77,736	122,086	39,462	30,297	31,620	14,284	237,749
Add qualifying matching expenses	-	-	-	-	-	39,462	-	9,983	-	-
Add in-kind matching expenses	5,000	-	5,000	-	-	-	-	6,718	-	-
Expense basis for computation of federal and/or state participation in project cost	75,710	44,350	120,060	77,736	122,086	78,924	30,297	48,321	14,284	
Federal or state participation percentage	50%	50%	50%	50%	50%	50%	80%	66%	0%	
Computed project grant earned	\$ 37,855	\$ 22,175	\$ 60,030	\$ 38,868	\$ 61,042	\$ 39,462	\$ 24,238	\$ 31,892	\$ -	
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or:			\$ 55,800	\$ 38,867	\$ 56,813	\$ 39,462	\$ 5,532	\$ 31,620	\$ -	
Therefore, the grants earned equal:			\$ 55,800	\$ 38,867	\$ 56,813	\$ 39,462	\$ 5,532	\$ 31,620	\$ -	

East Central Intergovernmental Association
 Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INVESTMENT ACT (WIA)
 June 30, 2014

Pass-through Entity:	<u>Upper Explorerland Regional Planning Commission</u>					<u>Northeast Iowa Community College</u>		
Contract Number:	<u>East Central Intergovernmental Association and Upper Explorerland Regional Planning Commission Joint Agreement</u>							
Contract Period:	<u>7/1/13 - 6/30/14</u>					<u>4/1/12 - 3/31/16</u>	<u>10/1/11 - 9/30/14</u>	
Program:	<u>Admini- stration</u>	<u>Adult Formula</u>	<u>Youth in School Formula</u>	<u>Youth Out of School Formula</u>	<u>Dislocated Worker Formula</u>	<u>H1B</u>	<u>Bridges to Healthcare</u>	<u>Total</u>
Assets								
Cash	\$ 3,661	\$ 6,367	\$ 4,256	\$ 6,173	\$ 1,000	\$ 796	\$ 9,733	\$ 31,986
Grants receivable	-	1,651	-	-	5,059	-	-	6,710
	<u>\$ 3,661</u>	<u>\$ 8,018</u>	<u>\$ 4,256</u>	<u>\$ 6,173</u>	<u>\$ 6,059</u>	<u>\$ 796</u>	<u>\$ 9,733</u>	<u>\$ 38,696</u>
Liabilities and Fund Balance								
Accounts payable	\$ 1,768	\$ 1,928	\$ 2,970	\$ 3,824	\$ 957	\$ -	\$ -	\$ 11,447
Due to other funds	<u>1,893</u>	<u>6,090</u>	<u>1,286</u>	<u>2,349</u>	<u>5,102</u>	<u>796</u>	<u>9,733</u>	<u>27,249</u>
Total liabilities	3,661	8,018	4,256	6,173	6,059	796	9,733	38,696
Fund balance	-	-	-	-	-	-	-	-
	<u>\$ 3,661</u>	<u>\$ 8,018</u>	<u>\$ 4,256</u>	<u>\$ 6,173</u>	<u>\$ 6,059</u>	<u>\$ 796</u>	<u>\$ 9,733</u>	<u>\$ 38,696</u>

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INVESTMENT ACT (WIA)
For the year ended June 30, 2014

Northeast
Iowa Community
College

Pass-through Entity: Upper Explorerland Regional Planning Commission

Contract Number: East Central Intergovernmental Association and
Upper Explorerland Regional Planning Commission Joint Agreement

Contract Period: 7/1/13 - 6/30/14 4/1/12 - 3/31/16 10/1/11 - 9/30/14

Program:	Admini- stration	Adult Formula	Youth in School Formula	Youth Out of School Formula	Dislocated Worker Formula	H1B	Bridges to Healthcare	Totals
Revenues								
Grants	\$ 30,963	\$ 76,788	\$ 32,453	\$ 76,874	\$ 52,659	\$ 14,000	\$ 43,000	\$ 326,737
Expenditures								
Administration	30,963	-	-	-	-	-	-	30,963
Training related and support services	-	592	1,630	1,520	1,318	-	-	5,060
Direct training services	-	76,196	30,823	75,354	51,341	14,000	43,000	290,714
Total expenditures	<u>30,963</u>	<u>76,788</u>	<u>32,453</u>	<u>76,874</u>	<u>52,659</u>	<u>14,000</u>	<u>43,000</u>	<u>326,737</u>
Excess of revenues over (under) expenditures	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2014

Grantor/Program	Federal CFDA Number	Agency or Pass-Through Grantor's Number	Accrual Basis Program Disbursements
Direct			
United States Department of Commerce			
EDA Planning Grant	11.302	05-83-05318 05-83-05318.01	\$ 17,946 <u>38,867</u>
			56,813
Indirect:			
United States Department of Commerce			
Passed through Southwestern Wisconsin Regional Planning Commission Local Technical Assistance	11.303	06-06-05877	39,462
United States Department of Labor			
Passed through Upper Explorerland Regional Planning Commission Workforce Investment Act Cluster			
Administration	17.258	UERPC/ECIA Contract	30,963
Adult Formula	17.258	UERPC/ECIA Contract	76,788
Youth In School Formula	17.259	UERPC/ECIA Contract	32,453
Youth Out of School Formula	17.259	UERPC/ECIA Contract	76,874
Dislocated Worker Formula	17.278	UERPC/ECIA Contract	<u>52,659</u>
			269,737
Passed through Northeast Iowa Community College Workforce Investment Act			
H1B Technical Skills Training	17.268		14,000
Trade Adjustment Assistance Community College Career and Training Grant (ARRA)	17.282		<u>43,000</u>
			<u>57,000</u>
Total United States Department of Labor			<u>326,737</u>

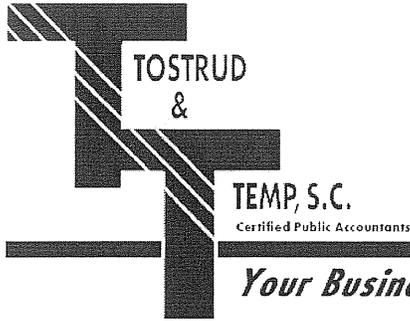
East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - CONTINUED
For the year ended June 30, 2014

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Grantor's Number</u>	<u>Accrual Basis Program Disbursements</u>
United States Department of Housing and Urban Development			
Passed through Dubuque County (Major Program)			
Jumpstart Program	14.228	08-DRH-004/204	2,550,608
Passed through the Iowa Finance Authority			
Home Investment Partnership Program	14.239	11-HM-112	83,765
		11-HM-113	111,193
		11-HM-114	8,165
			<u>203,123</u>
Total United States Department of Housing and Urban Development			2,753,731
United States Department of Transportation			
Passed through Iowa Department of Transportation			
FWHA - Highway planning and construction	20.205	2012-ICAAP-09	136,793
FHWA Planning - RPA	20.515	14-RPA-08	108,444
FHWA - Planning	20.205	14-MPO-ECIA	144,154
FTA 5305d	20.505	14-MPO-ECIA	16,732
Passed through Illinois Depart- ment of Transportation			
IL Hwy Planning Research	20.205	IDOT Contract	12,316
Passed through Wisconsin Depart- ment of Transportation			
FHWA Planning	20.515	WisDOT Contract	<u>3,751</u>
Total United States Department of Transportation			<u>422,190</u>
Total Indirect			<u>3,542,120</u>
Total Federal Financial Assistance			<u><u>\$ 3,598,933</u></u>

Note 1: Basis of Accounting: This statement is prepared using the same basis of accounting as the Association's financial statements. The Association uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. Association records should be consulted to determine amounts expended or matched from non-federal sources.

Note 2: Federal Indirect Rate: The Association has an indirect cost allocation plan on file in accordance with OMB Circular A-87.

OTHER REPORTS



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Your Business Safety Net

**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**

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the East Central Intergovernmental Association (Association), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated October 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected 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 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

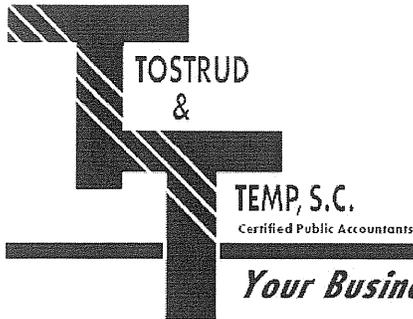
As part of obtaining reasonable assurance about whether the Association's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



October 24, 2014



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Your Business Safety Net

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

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Report on Compliance for Each Major Federal Program

We have audited the East Central Intergovernmental Association's (Association) 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 the Association's major federal programs for the year ended June 30, 2014. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management 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 the 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 of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations (OMB Circular A-133). Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above, that could have a material effect on the major federal programs, occurred. An audit includes examining, on a test basis, evidence about the 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 with each major federal program. However, our audit does not provide a legal determination of the Association's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 identified above for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the 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 the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the 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 the 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 the Association's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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 the 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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 our testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



October 24, 2014

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

 Significant deficiency identified? ___ yes X no

 Significant deficiency identified
 considered to be a material weakness? ___ yes X no

Noncompliance material to the financial statements? ___ yes X no

Federal Awards

Internal control over compliance:

 Significant deficiency identified? ___ yes X no

 Significant deficiency identified
 considered to be a material weakness? ___ yes X no

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Circular A-133
Section .510(1)? ___ yes X no

Identification of Major Federal Programs

CFDA Number	Name of Federal Program or Cluster
14.228	Jumpstart Program
Dollar threshold used to distinguish between Type A and Type B programs \$300,000	
Auditee qualified as a low-risk auditee?	<u> X </u> yes ___ no

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior-Period Findings

None