SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

INDEPENDENT AUDITORS' REPORTS
BASIC FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2011

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

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KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, and each major fund of Siouxland Interstate Metropolitan Planning Council (the Council), as of and for the year ended June 30, 2011, which collectively comprise the Council's basic financial statements listed in the table of contents. These financial statements are the responsibility of the Council's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, and each major fund of Siouxland Interstate Metropolitan Planning Council as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2012, on our consideration of Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

King Reinsch Peasley & Co LLP

Sioux City, Iowa
February 3, 2012

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The Siouxland Interstate Metropolitan Planning Council (the Council) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2011. We encourage readers to consider this information in conjunction with the financial statements, which follow.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

- Revenues of the Council's governmental activities increased 2.2 percent, or approximately $21,000 from fiscal year 2010 to fiscal year 2011.
- Program expenses of the Council's governmental activities increased by 2.9 percent, or approximately $28,000, from fiscal year 2010 to fiscal year 2011.
- The Council's net assets increased by approximately $3,000, from June 30, 2010 to June 30, 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of management's discussion and analysis (this section), the basic financial statements, and supplementary information.

Basic Financial Statements

The basic financial statements include the government-wide financial statements, the fund financial statements, and the notes to the financial statements.

Government-wide Financial Statements

The government-wide statements provide a broad view of the Council's financial activity. These financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. The government-wide financial statements consist of a statement of net assets and a statement of activities. All of the current year's revenues and expenses are accounted for regardless of when cash is received or paid.

The *Statement of Net Assets* includes all assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in net assets may serve as a useful indicator of whether financial position is improving or deteriorating.

The *Statement of Activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The government-wide financial statements are divided into two categories:

- *Governmental activities* - All of the Council's services are reported in this category. The services are general government, transportation planning, community and economic development, and emergency planning. Federal and state grants along with contract services and membership dues finance most of these activities.

- *Component units* - These are operations that are legally separate from the Council, but for which the Council has determined it would be misleading to exclude from the Council's financial statements based on the nature and significance of their relationship with the Council. The Council's discretely presented component units are:

  - Siouxland Regional Transit System (governmental activity)

  - Tri-State Graduate Center (governmental activity)

  - Northeast Nebraska Joint Housing Authority (governmental activity)

  Additional information about the Council's component units is presented in the Notes to the Financial Statements.

Fund Financial Statements

The fund financial statements provide detailed information about the Council, focusing on its most significant or "major" funds. The Council has two types of funds 1) Governmental Funds and 2) Fiduciary Funds.

Governmental funds focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include the General Fund and the Special Revenue Funds. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of operations. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. All of the Council's governmental funds are major funds.

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

Fiduciary funds account for resources held for the benefit of parties outside the Council. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Council's programs. The Council is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

Discretely Presented Component Units

The fund financial statements of the component units are presented because they do not issue their own separate financial statements. Siouxland Regional Transit System, Tri-State Graduate Center, and Northeast Nebraska Joint Housing Authority each have only a General Fund.

Reconciliations between the government-wide financial statements and the fund financial statements are included on or follow the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the basic financial statements.

Supplementary Information

Supplementary Information provides detailed information about certain grants. In addition, the Schedule of Expenditures of Federal Awards provides details of various federal programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Council's net assets totaled $690,288 at June 30, 2011, compared to $687,010 at June 30, 2010 (restated) as indicated below.

	Governmental Activities Net Assets	
	2011	Restated 2010
Current and other assets	$ 956,465	$ 935,899
Capital assets	98,261	134,353
Total assets	$ 1,054,726	$ 1,070,252
Long-term liabilities	$ 175,027	$ 231,138
Other liabilities	189,411	152,104
Total liabilities	$ 364,438	$ 383,242
Net assets:		
Invested in capital assets, net of related debt	$ 98,261	$ 134,353
Restricted	15,905	9,284
Unrestricted	576,122	543,373
Total net assets	$ 690,288	$ 687,010

The restricted net assets represent resources subject to external restrictions. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements, is approximately $576,000 at the end of this year.

The Council's net assets increased by $3,278 during the year as indicated below.

	Governmental Activities Changes in Net Assets for the Year Ended June 30,	
	2011	Restated 2010
Program revenues:		
Charges for services	$ 437,039	$ 410,968
Operating grants and contributions	570,565	568,982
General revenues:		
Interest	277	356
Miscellaneous	(3,224)	3,203
Total revenues	$ 1,004,657	$ 983,509
Program expenses:		
General government	$ 105,432	$ 103,196
Transportation planning	428,782	427,833
Community and economic development	369,917	362,001
Emergency planning	97,248	80,247
Total expenses	$ 1,001,379	$ 973,277
Change in net assets	$ 3,278	$ 10,232
Net assets, beginning of year, restated	687,010	676,778
Net assets, end of year	$ 690,288	$ 687,010

The Council's revenues increased approximately $21,000 over the prior year, with charges for services increasing approximately $26,000. Operating grants and contributions account for 57 percent and charges for services account for 44 percent of total revenues. The cost of the Council's activities this year was approximately $1 million compared to approximately $975,000 last year. Expenses primarily relate to transportation planning and community and economic development which account for 80 percent of total expenses.

INDIVIDUAL MAJOR FUND ANALYSIS

Primary Government Highlights

The Council's fund balance at June 30, 2011 was $552,798 compared to $555,076 at June 30, 2010 (restated).

- The General Fund showed a modest decline of fund balance of $8,899 from the prior year to $536,893. Revenues decreased approximately $7,000 and expenditures increased approximately $3,000.

- The Special Revenue, MPO/RPA Fund had revenues and expenditures of approximately $429,000 and $428,000 in fiscal year 2011 and 2010, respectively.

- The Special Revenue, Other Member Projects Fund had revenues of approximately $364,000 and $405,000 in fiscal year 2011 and 2010, respectively. The $41,000 decrease in revenues can be explained largely by a $20,000 decrease in grant funding and a $14,000 decrease in contract services income. The expenditures were approximately $370,000 and $362,000 in fiscal year 2011 and 2010, respectively. Fund balance increased approximately $6,700 to $15,905.

- The Special Revenue, Hazmat Fund had revenues and expenditures of approximately $97,000 and $80,000 in fiscal year 2011 and 2010, respectively. The revenues increased largely due to a $14,000 increase in federal funding.

Highlights for the Discretely Presented Component Units

Siouxland Regional Transit System

Siouxland Regional Transit System's revenues were approximately $2.3 million in both fiscal years 2011 and 2010. The expenditures were approximately $2.4 million and $2.3 million in fiscal year 2011 and 2010, respectively. Fund balance decreased approximately $34,000, to $330,326 at June 30, 2011.

Tri-State Graduate Center

The revenues for Tri-State Graduate Center decreased in fiscal year 2011 to approximately $80,000 from approximately $125,000 in fiscal year 2010. The decrease is due to a decrease in state funding. The expenditures for fiscal year 2011 were approximately $68,000 compared to approximately $136,000 in fiscal year 2010. Fund balance at June 30, 2011 was $28,455 an increase of approximately $12,500 from June 30, 2010.

Northeast Nebraska Joint Housing Authority

The revenues for Northeast Nebraska Joint Housing Authority were approximately $331,000 in fiscal year 2011 consistent with fiscal year 2010 revenues of $335,000. Expenditures were approximately $321,000 and $331,000 in fiscal years 2011 and 2010, respectively. Fund balance at June 30, 2011 was $133,370.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Council's capital assets consist of equipment (computers and office equipment) and totaled $98,261 (net of accumulated depreciation) at June 30, 2011. Depreciation expense was $36,092 in fiscal year 2011. More detailed information about capital assets is available in Note 6 to the financial statements.

Long-Term Debt

Long-term debt consists of a note payable to Siouxland Planning and Transit Services, L.L.C. The balance outstanding at June 30, 2011 was $129,207. During fiscal year 2011 the Council made principal payments of $40,042. Total interest paid during fiscal year 2011 was $11,352.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

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

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Primary Government	Component Units		
	Governmental Activities	Siouxland Regional Transit System	Tri-State Graduate Center	Northeast Nebraska Joint Housing Agency
ASSETS:				
Current assets:				
Cash	$ 189,173	$ 439,715	$ 50,969	$ 193,919
Accounts receivable	40,685	79,585	-	-
Due from component units - Note 5	266,776	-	-	-
Due from other governments:				
Federal	7,191	-	-	-
State	104,761	37,617	-	-
Local	78,485	177,543	-	-
Prepaid expenses	36,506	-	-	-
Total current assets	$ 723,577	$ 734,460	$ 50,969	$ 193,919
Noncurrent assets:				
Investment in Siouxland Planning and Transit Services, L.L.C. - Note 7	$ 214,548	$ 131,002	$ -	$ -
Investment in annuity - Note 3	18,340	-	-	-
Capital assets, net of accumulated depreciation - Note 6	98,261	337,052	845	-
Total noncurrent assets	$ 331,149	$ 468,054	$ 845	$ -
Total assets	$ 1,054,726	$ 1,202,514	$ 51,814	$ 193,919
LIABILITIES:				
Current liabilities:				
Accounts payable	$ 22,326	$ 131,063	$ 586	$ 214
Accrued wages and benefits	41,634	39,781	1,449	1,697
Due to agency fund	93,658	-	-	-
Due to primary government - Note 5	-	205,954	20,479	40,343
Due to other governments:				
Local	-	25,875	-	-
Tenant escrow	-	-	-	18,295
Unearned revenue	13,161	1,461	-	-
Note payable, due within one year - Note 8	18,632	-	-	-
Total current liabilities	$ 189,411	$ 404,134	$ 22,514	$ 60,549
Noncurrent liabilities - Note 8:				
Compensated absences	$ 46,112	$ 7,522	$ 3,716	$ -
Deferred compensation - Note 3	18,340	-	-	-
Note payable	110,575	-	-	-
Total noncurrent liabilities	$ 175,027	$ 7,522	$ 3,716	$ -
Total liabilities	$ 364,438	$ 411,656	$ 26,230	$ 60,549
NET ASSETS:				
Invested in capital assets, net of related debt	$ 98,261	$ 337,052	$ 845	$ -
Restricted - Note 9	15,905	-	-	133,370
Unrestricted	576,122	453,806	24,739	-
Total net assets	$ 690,288	$ 790,858	$ 25,584	$ 133,370

See accompanying notes to financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Component Units: Siouxland Regional Transit System	Component Units: Tri-State Graduate Center	Component Units: Northeast Nebraska Joint Housing Agency
Primary Government:								
Governmental Activities:								
General government	$ 105,432	$ 127,156	$ -	$ -	$ 21,724			
Transportation planning	428,782	83,867	344,915	-	-			
Community and economic development	369,917	159,006	195,412	-	(15,499)			
Emergency planning	97,248	67,010	30,238	-	-			
Total governmental activities	$ 1,001,379	$ 437,039	$ 570,565	$ -	$ 6,225			
Components Units:								
Governmental Activities:								
Siouxland Regional Transit System	$ 2,339,354	$ 1,342,361	$ 837,155	$ 51,889		$ (107,949)		
Tri-State Graduate Center	$ 68,625	$ 6,000	$ 73,024	$ -			$ 10,399	
Northeast Nebraska Joint Housing Authority	$ 326,156	$ -	$ 336,205	$ -				$ 10,049
General revenues:								
Interest					$ 277	$ 144	$ 25	$ 149
Miscellaneous					(3,224)	(617)	1,020	-
Total general revenues					$ (2,947)	$ (473)	$ 1,045	$ 149
Change in net assets					$ 3,278	$ (108,422)	$ 11,444	$ 10,198
Net assets, beginning of year, restated - Note 13					687,010	899,280	14,140	123,172
Net assets, end of year					$ 690,288	$ 790,858	$ 25,584	$ 133,370

See accompanying notes to financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

	General	MPO/RPA Fund	Other Member Projects Fund	Hazmat Fund	Total Governmental Funds
ASSETS:					
Cash	$ 189,173	$ -	$ -	$ -	$ 189,173
Accounts receivable	40,685	-	-	-	40,685
Interfund balance - Note 4	153,495	-	9,284	432	163,211
Due from component units - Note 5	266,776	-	-	-	266,776
Due from other governments:					
Federal	-	-	7,191	-	7,191
State	-	98,941	-	5,820	104,761
Local	-	-	78,485	-	78,485
Prepaid expenditures	36,506	-	-	-	36,506
Total assets	$ 686,635	$ 98,941	$ 94,960	$ 6,252	$ 886,788
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	$ 15,401	$ 245	$ 860	$ 5,820	$ 22,326
Interfund balance - Note 4	9,716	92,315	61,180	-	163,211
Due to agency fund	93,658	-	-	-	93,658
Accrued wages and benefits	29,521	6,381	5,300	432	41,634
Deferred revenue	1,446	-	11,715	-	13,161
Total liabilities	$ 149,742	$ 98,941	$ 79,055	$ 6,252	$ 333,990
Fund Balances:					
Nonspendable	$ 36,506	$ -	$ -	$ -	$ 36,506
Restricted	-	-	15,905	-	15,905
Assigned for employee benefits	261,493	-	-	-	261,493
Unassigned	238,894	-	-	-	238,894
Total fund balances	$ 536,893	$ -	$ 15,905	$ -	$ 552,798
Total liabilities and fund balances	$ 686,635	$ 98,941	$ 94,960	$ 6,252	

Amounts reported for governmental activities in the statement of net assets are different because:	
Investment in Siouxland Planning and Transit Services, L.L.C. (not available to pay current expenditures).	214,548
Long-term investment in annuity (not available to pay current expenditures).	18,340
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	98,261
Long-term debt is not due and payable in the current year and, therefore, is not reported in the funds.	(129,207)
Accrued expenses from the statement of net assets that are not reported on the modified accrual basis fund balance sheet:	
Compensated absences	(46,112)
Deferred compensation	(18,340)
Net assets of governmental activities (page 9)	$ 690,288

See accompanying notes to financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	General	MPO/RPA Fund	Other Member Projects Fund	Hazmat Fund	Total Governmental Funds
Revenues:					
Federal sources	$ -	$ 343,185	$ 107,814	$ 30,238	$ 481,237
State sources	-	-	82,933	-	82,933
Local sources:					
Membership dues	14,806	85,597	61,706	-	162,109
Support assessments	-	-	4,665	66,969	71,634
Contract services	102,350	-	107,300	-	209,650
Interest	273	-	4	-	277
Miscellaneous	2,599	-	60	-	2,659
Total revenues	$ 120,028	$ 428,782	$ 364,482	$ 97,207	$ 1,010,499
Expenditures:					
Current:					
General government	$ 65,477	$ -	$ -	$ -	$ 65,477
Transportation planning	-	428,782	-	-	428,782
Community and economic development	-	-	369,917	-	369,917
Emergency planning	-	-	-	97,207	97,207
Debt service	51,394	-	-	-	51,394
Total expenditures	$ 116,871	$ 428,782	$ 369,917	$ 97,207	$ 1,012,777
Excess (deficiency) of revenue over (under) expenditures	$ 3,157	$ -	$ (5,435)	$ -	$ (2,278)
Other financing sources (uses):					
Transfers in (out) - Note 4	$ (12,056)	$ -	$ 12,056	$ -	$ -
Net change in fund balances	$ (8,899)	$ -	$ 6,621	$ -	$ (2,278)
Fund balances - beginning of year, restated - Note 13	545,792	-	9,284	-	555,076
Fund balances - end of year	$ 536,893	$ -	$ 15,905	$ -	$ 552,798

See accompanying notes to financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

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, 2011

Net change in fund balances - total governmental funds (page 12)		$ (2,278)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the statement of activities and are allocated over their estimated useful lives as depreciation expense in the statement of activities. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Expenditures for capital assets	$ -	
Depreciation	(36,092)	(36,092)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:		
Decrease in compensated absences		7,489
Principal payments on debt is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net assets.		40,042
Loss on investment in Siouxland Planning and Transit Services, L.L.C.		(5,883)
Change in net assets of governmental activities (page 10)		$ 3,278

See accompanying notes to financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2011

	Cardinal Development Inc.	Siouxland Economic Development Corporation	Total Agency Funds
ASSETS:			
Cash	$ 48	$ -	$ 48
Due from SIMPCO	-	93,658	93,658
Loan receivable	2,699	-	2,699
Total assets	$ 2,747	$ 93,658	$ 96,405
LIABILITIES:			
Accounts payable	$ -	$ 444	$ 444
Due to state governments	2,747	-	2,747
Accrued wages and benefits	-	55,741	55,741
Accrued vacation	-	37,473	37,473
Total liabilities	$ 2,747	$ 93,658	$ 96,405

See accompanying notes to financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

BALANCE SHEETS

GOVERNMENTAL FUNDS

DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2011

	Siouxland Regional Transit System General Fund	Tri-State Graduate Center General Fund	Northeast Nebraska Joint Housing Agency General Fund
ASSETS:			
Cash	$ 439,715	$ 50,969	$ 193,919
Accounts receivable	79,585	-	-
Due from other governments:			
State	37,617	-	-
Local	177,543	-	-
Total assets	$ 734,460	$ 50,969	$ 193,919
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	$ 131,063	$ 586	$ 214
Due to primary government - Note 5	205,954	20,479	40,343
Due to other governments:			
Local	25,875	-	-
Tenant escrow	-	-	18,295
Accrued wages and benefits	39,781	1,449	1,697
Deferred revenue	1,461	-	-
Total liabilities	$ 404,134	$ 22,514	$ 60,549
Fund Balances:			
Restricted - Note 9	$ -	$ -	$ 133,370
Unassigned	330,326	28,455	-
Total fund balances	$ 330,326	$ 28,455	$ 133,370
Total liabilities and fund balances	$ 734,460	$ 50,969	$ 193,919
Total fund balances	$ 330,326	$ 28,455	$ 133,370
Amounts reported for governmental activities in the statement of net assets are different because:			
Investment in Siouxland Planning and Transit Services, L.L.C. (not available to pay current expenditures)	131,002	-	-
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	337,052	845	-
Accrued expenses from the statement of net assets that are not reported on the modified accrual basis fund balance sheet:			
Compensated absences	(7,522)	(3,716)	-
Net assets of governmental activities (page 9)	$ 790,858	$ 25,584	$ 133,370

See accompanying notes ot financial statements.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

DISCRETELY PRESENTED COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 2011

	Siouxland Regional Transit System General Fund	Tri-State Graduate Center General Fund	Northeast Nebraska Joint Housing Agency General Fund
Revenues:			
Federal sources	$ 384,708	$ -	$ 324,747
State sources	504,336	73,024	-
Local sources:			
Support assessments	140,801	-	-
Contract services	1,286,739	6,000	-
Interest	144	25	149
Miscellaneous	6,283	1,020	6,479
Total revenues	$ 2,323,011	$ 80,069	$ 331,375
Expenditures:			
Current:			
Transportation	$ 2,297,160	$ -	$ -
Education	-	67,566	-
Housing	-	-	321,177
Capital outlay	59,532	-	-
Total expenditures	$ 2,356,692	$ 67,566	$ 321,177
Net change in fund balances	$ (33,681)	$ 12,503	$ 10,198
Fund balances - beginning of year, restated - Note 13	$ 364,007	$ 15,952	$ 123,172
Fund balances - end of year	$ 330,326	$ 28,455	$ 133,370
Net change in fund balances	$ (33,681)	$ 12,503	$ 10,198
Amounts reported for governmental activities in the statement of net activities are different because:			
Capital outlays to purchase capital assets are reported in governmental funds as expenditures. However, those costs are not reported in the statement of activities and are allocated over their estimated useful lives as depreciation expense in the statement of activities.			
Expenditures for capital assets	59,532	-	-
Depreciation	(135,817)	(774)	-
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:			
Change in compensated absences	5,174	(285)	-
Loss on investment in Siouxland Planning and Transit Services, L.L.C.	(3,630)	-	-
Change in net assets of governmental activities (page 10)	$ (108,422)	$ 11,444	$ 10,198

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

A. Reporting Entity

For financial reporting purposes, the Council has included all funds, organizations, agencies, boards, commissions and authorities. The Council has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the Council are such that exclusion would cause the Council's financial statements to be misleading. 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 Council to impose its will on that organization or (2) the potential for the organization to provide special benefits to or impose specific financial burdens on the Council.

These financial statements present the Council (the primary government) and its component units. The component units discussed below are included in the Council's reporting entity because in the Council's professional judgment, due to the nature and significance of each of the entity's relationship with the Council it would be misleading to exclude the entity from the Council's financial statements. The component units are discretely presented and do not issue their own separate financial statements.

Discretely Presented Component Units

Siouxland Regional Transit System was organized to improve and coordinate transportation services in Cherokee, Ida, Monona, Plymouth and Woodbury counties in Iowa.

Tri-State Graduate Center was organized to facilitate the delivery of graduate education to Siouxland residences through the colleges and universities in Iowa, Nebraska and South Dakota.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Northeast Nebraska Joint Housing Agency administers the housing voucher program for residents in rural Dakota, Dixon, and Wayne Counties in Nebraska.

In the Council's professional judgment it is misleading to exclude Siouxland Regional Transit System, Tri-State Graduate Center and Northeast Nebraska Joint Housing Agency from the Council's financial statements because the Council has a financial burden relationship with the entities. In addition the Council's management has operational responsibility for the entities and the respective boards of the entities have allowed the Council's management and board to significantly influence their operations.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the Council and its component units. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Assets presents the Council's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in the following categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Fund Financial Statements - Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregate and reported as nonmajor governmental funds.

The Council reports the following major governmental funds:

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

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted for specified purposes. Each of the Council's Special Revenue Funds has been established to reflect restricted revenue sources. The funds included in this category and their purposes are as follows:

MPO/RPA Fund - Accounts for the activities of the Metropolitan Planning Organization and Regional Planning Affiliation. The MPO/RPA provide long-range transportation planning and transportation improvement programs.

Other Member Projects Fund - Accounts for the Council's community development program. The community development program offers members a variety of services such as grant writing, project development, and technical assistance.

Hazmat Fund - Accounts for hazmat planning activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

Interfund activities between governmental funds appear as interfund balances on the Governmental Fund Balance Sheet and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance. All interfund transactions between governmental funds are eliminated on the government-wide statements.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Membership dues and local assessments are recognized as revenue in the year for which they are billed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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

D. Assets, Liabilities and Fund Equity

Accounts Receivable - Trade credit is generally extended to Council members and clients on a short-term basis. These receivables do not bear interest, although a finance charge may be applied to balances more than thirty days past due. Individual accounts receivable are periodically evaluated for collectibility based on past credit history and their current financial condition. All significant receivables of the Council and the component units are considered collectible at June 30, 2011. Therefore, no allowance for doubtful accounts is recorded.

Due From Other Governments - Due from other governments represents amounts due from federal, state and local governments. The amounts represent the earned portion of grant contracts between the Council or the component units and various government agencies. The funds received under these contracts are normally restricted to cover only specified expenditures under the programs described in the grant contract.

Interfund Balances - During the course of its operations, the Council has numerous transactions between funds to finance operations and provide services. To the extent that certain transactions between funds had not been paid or received as of June 30, 2011, balances of interfund amounts payable or receivable have been recorded.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Capital Assets - Capital assets, which include vehicles, electronics, and office furniture, are reported in the government-wide financial statements. Capital assets are defined by the Council and the component units as assets with an initial cost of $5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased. Donated capital assets are recorded at the estimated fair value at the date of donation. The costs of normal maintenance and repair not adding to the value of the asset or materially extending asset lives are expensed as incurred. Capital assets of the Council and its component units are depreciated using the straight-line method over the following estimated useful lives:

Vehicles	5 Years
Electronic Equipment	5 Years
Office Furniture	7 Years

Deferred Revenue and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets were not collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue also consists of unspent grant proceeds.

Unearned revenue in the Statement of Net Assets consists of unearned grant proceeds.

Compensated Absences - Vested or accumulated vacation leave (compensated absences) and the related employee benefits are reported as liabilities when incurred in the government-wide Statement of Net Assets. In the governmental fund statements the liabilities for these amounts is recorded only for employees that have resigned or retired. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The liability has been computed based on rates of pay in effect at June 30, 2011.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Fund Equity - In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable - Amounts which cannot be spent because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned - Amounts the Council intends to use for specific purposes determined pursuant to constraints imposed by the Board of Directors or an official the Board has delegated authority to.

Unassigned - All amounts not included in other spendable classifications.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the policy is generally to first apply the expenditure toward restricted fund balance and then to less restrictive classifications - assigned and then unassigned fund balances.

E. Membership Dues and Support Assessments

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

F. Allocation of Indirect Costs

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

NOTE 2 - CASH:

The Council's and the component units' deposits in banks at June 30, 2011, were entirely covered by Federal Depository Insurance or by a multiple financial institution collateral pool, in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

NOTE 3 - INVESTMENT IN ANNUITY AND DEFERRED COMPENSATION:

The Council and a former executive director entered into an agreement on December 8, 1988, in which the director agreed to retire at age 65, in exchange for an annuity. The net surrender value of the annuity at June 30, 2011, is $18,340. At June 30, 2011 the Council's maximum liability under the agreement is $18,340.

NOTE 4 - INTERFUND TRANSFERS AND BALANCES:

The detail of interfund transfers for the year ended June 30, 2011 is as follows:

Transfer to	Transfer From	Amount
Other Member Projects Fund	General	$ 12,056

Transfers move unrestricted revenues collected in the general fund to other funds to finance their programs.

The detail of interfund balances at June 30, 2011 is as follows:

	Due From Other Funds	Due to Other Funds
General	$ 153,495	$ 9,716
Special Revenue Fund:		
MPO/RPA Fund	$ -	$ 92,315
Other Member Projects Fund	9,284	61,180
Hazmat Fund	432	-
	$ 9,716	$ 153,495
	$ 163,211	$ 163,211

These balances resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

NOTE 5 - TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS:

The component units owe the Council $266,776 at June 30, 2011. The amount is reflected in the financial statements as due to primary government and due from component unit. The detail of the due to primary government at June 30, 2011 is as follows:

Siouxland Regional Transit System	$ 205,954
Tri-State Graduate Center	20,419
Northeast Nebraska Joint Housing Authority	40,343
	$ 266,716

The Council performs administrative services for the component units. The component units are billed $22 per labor hour for these administrative services. For June 30, 2011 the Council recorded contract service income of $87,350 related to these services. Siouxland Regional Transit System, Tri-State Graduate Center and Northeast Nebraska Joint Housing Authority had administrative services expenditures of $71,484, $6,566 and $9,300, for June 30, 2011, respectively.

NOTE 6 - CAPITAL ASSETS:

A summary of changes in the capital assets for the year ended June 30, 2011 is as follows:

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Primary Government				
Governmental activities:				
Capital assets being depreciated:				
Equipment	$ 391,528	$ -	$ -	$ 391,528
Less accumulated depreciation:				
Equipment	$ (257,175)	$ (36,092)	$ -	$ (293,267)
Governmental activities capital assets, net	$ 134,353	$ (36,092)	$ -	$ 98,261

NOTE 6 - CAPITAL ASSETS (CONTINUED):

Depreciation expense was charged to the Council's functions as follows:

Governmental activities:	
General government	$ 35,888
Transportation planning	204
Community and economic development	-
Emergency planning	-
	$ 36,092

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Discretely Presented Component Units				
Siouxland Regional Transit System:				
Capital assets being depreciated:				
Equipment	$ 2,329,963	$ 59,532	$ (70,571)	$ 2,318,924
Less accumulated depreciation:				
Equipment	$ (1,916,626)	$ (135,817)	$ 70,571	$ (1,981,872)
Total capital assets, net	$ 413,337	$ (76,285)	$ -	$ 337,052
Tri-State Graduate Center:				
Capital assets being depreciated:				
Equipment	$ 44,148	$ -	$ -	$ 44,148
Less accumulated depreciation:				
Equipment	$ (42,529)	$ (774)	$ -	$ (43,303)
Total capital assets, net	$ 1,619	$ (774)	$ -	$ 845
Northeast Nebraska Joint Housing Agency:				
Capital assets being depreciated:				
Equipment	$ 6,240	$ -	$ -	$ 6,240
Less accumulated depreciation:				
Equipment	$ (6,240)	$ -	$ -	$ (6,240)
Total capital assets, net	$ -	$ -	$ -	$ -

NOTE 7 - INVESTMENT IN SIOUXLAND PLANNING AND TRANSIT SERVICES, L.L.C.:

The Council and Siouxland Regional Transit System established Siouxland Planning and Transit Services, L.L.C. The Council's ownership interest is 61.844 percent and the Siouxland Regional Transit System's ownership interest is 38.156 percent. The L.L.C. owns the building out of which the Council and Siouxland Regional Transit System operate. The condensed June 30, 2011 financial statements of Siouxland Planning and Transit Services, L.L.C. are as follows:

Balance Sheet

Assets:	
Note receivable from Siouxland Metropolitan Planning Council	$ 129,207
Building, net of accumulated depreciation of $34,948	345,550
Total assets	$ 474,757
Liabilities:	
Note payable	$ 129,207
Member capital accounts	$ 345,550
Total liabilities and capital	$ 474,757

Income Statement

Interest income	$ 11,352
Expenses:	
Depreciation	9,513
Interest	11,352
Total expenses	$ 20,865
Net loss	$ (9,513)

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES:

A summary of changes in long-term liabilities for the year ended June 30, 2011, is as follows:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Compensated absences	$ 53,601	$ -	$ (7,489)	$ 46,112	$ -
Deferred compensation	23,924	-	(5,584)	18,340	-
Note payable	169,249	-	(40,042)	129,207	18,632
	$ 246,774	$ -	$ (53,115)	$ 193,659	$ 18,632

NOTE 8 - CHANGES IN LONG-TERM LIABILITIES (CONTINUED):

The note payable is due to Siouxland Planning and Transit Services, L.L.C. There is no formal loan document between the Council and the L.L.C., however it is the Council's intention to pay the note payable according to the payment terms of the L.L.C.'s mortgage held by an external lender. The note is intended to be repaid as follows:

	Principal	Interest	Total
2012	$ 18,632	$ 8,762	$ 27,394
2013	20,029	7,365	27,394
2014	21,532	5,862	27,394
2015	23,147	4,247	27,394
2016	24,883	2,511	27,394
2017	20,984	673	21,657
	$ 129,207	$ 29,420	$ 158,627

NOTE 9 - RESTRICTED NET ASSETS AND RESTRICTED FUND BALANCES:

The purpose of the restricted net assets and restricted fund balances are as follows:

Primary Government:	
Restricted for member projects	$ 15,905
Discretely Presented Component Unit:	
Northeast Nebraska Joint Housing Agency:	
Restricted for administration	$ 106,282
Restricted for housing assistance payments	27,088
	$ 133,370

NOTE 10 - RETIREMENT BENEFITS:

In 1975, the Council began a qualified contributory money purchase pension plan with the International City Management Association Retirement Corporation (ICMARC). All employees who meet the minimum service and age requirements are eligible to participate in the pension plan. Each participant is required to contribute five percent of his or her compensation, and the Council contributes six percent. Participants may voluntarily contribute up to an additional ten percent of their compensation. The Council is not required to match employee voluntary contributions. The employee contributions and the Council's contributions to the plan for the year ended June 30, 2011 were $42,279 and $50,735, respectively.

The Council offers its administrative employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). The plan, available to all Council employees, permits them to defer a portion of their salary until future years. Employee contributions for the year ended June 30, 2011, were $14,050.

NOTE 11 - RISK MANAGEMENT:

The Council 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 commercial insurance purchased from independent third parties. The Council assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Partially Self-Insured Health Insurance Plan - The Council participates in a partially self-funded health insurance plan for Council employees. Premiums are paid to the Council's medical insurance carrier and claims are handled by the carrier. The Council's maximum fund exposure for this plan is $263,500.

Unemployment Insurance - The Council has elected to be self-insured under state unemployment tax laws. Any claims that may arise will be paid by the Council when presented. There were no claims during the year ended June 30, 2011.

NOTE 12 - COMMITMENT:

The Council has employment agreements with the co-executive directors that require the Council to pay the co-executive directors six months salary upon involuntary termination without cause. The Council's maximum exposure related to these agreements is $85,635.

NOTE 13 - RESTATEMENTS:

The Council's June 30, 2010 statement of net assets and balance sheet were restated as follows:

	Statement of Net Assets Governmental Activities		
	As Originally Reported	As Restated	Increase (Decrease)
Assets:			
Investment in L.L.C.	$ -	$ 220,431	$ 220,431
Liabilities:			
Deferred revenue	$ 63,658	$ 53,658	$ (10,000)
Note payable to L.L.C.	-	169,249	169,249
Claims payable	132,716	-	(132,716)
Unemployment benefits and termination benefits	130,920	-	(130,920)
	$ 327,294	$ 222,907	$ (104,387)
Net assets	$ 362,192	$ 687,010	$ 324,818

	Balance Sheet - Governmental Funds		
	As Originally Reported	As Restated	Increase (Decrease)
Liabilities:			
Deferred revenue	$ 63,658	$ 53,658	$ (10,000)
Compensated absences	53,601	-	(53,601)
Claims payable	132,716	-	(132,716)
Unemployment benefits and termination benefits	130,920	-	(130,920)
	$ 380,895	$ 53,658	$ (327,237)
Fund balance	$ 227,839	$ 555,076	$ 327,237

NOTE 13 - RESTATEMENTS (CONTINUED):

The Council's financial statements were restated to correct the following errors:

1) Eliminate $10,000 of deferred revenue that was recorded incorrectly.

2) The investment in Siouxland Planning and Transit Services, L.L.C. was not recorded properly. The note payable related to this investment was also not recorded properly.

3) Claims payable related to the partially self-insured health plan were not recorded in accordance with generally accepted accounting principles.

4) Unemployment benefits and termination benefits were not recorded in accordance with generally accepted accounting principles.

5) Compensated absences were incorrectly recorded as liabilities in the fund statements.

The correction of these errors had an immaterial effect on the Council's June 30, 2010 statement of activities and statement of revenues, expenditures, and changes in fund balances, and are therefore not presented.

The June 30, 2010 statement of net assets and balance sheet of the component units were restated as follows:

	Statement of Net Assets Siouxland Regional Transit System		
	As Originally Reported	As Restated	Increase (Decrease)
Assets:			
Investment in L.L.C.	$ -	$ 134,632	$ 134,632
Net assets	$ 764,648	$ 899,280	$ 134,632

NOTE 13 - RESTATEMENTS (CONTINUED):

	Balance Sheet - Governmental Funds					
	Siouxland Regional Transit System			Tri-State Graduate Center		
	As Originally Reported	As Restated	Increase (Decrease)	As Originally Reported	As Restated	Increase (Decrease)
Liabilities:						
Compensated absences	$ 12,696	$ -	$ (12,696)	$ 3,431	$ -	$ (3,431)
Fund balance	$ 351,311	$ 364,007	$ 12,696	$ 12,521	$ 15,952	$ 3,431

The financial statements were restated to correct the following errors.

1) The investment in Siouxland Planning and Transit Services, L.L.C. was not recorded properly.

2) Compensated absences were incorrectly recorded as liabilities in the fund statements.

The correction of these errors had an immaterial effect on the component units' June 30, 2010 statement of activities and statements of revenues, expenditures, and changes in fund balances, and are therefore not presented.

SCHEDULE 1

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF METROPOLITAN AND REGIONAL PLANNING GRANTS

FOR THE YEAR ENDED JUNE 30, 2011

	Regional Planning Affiliation STP	Regional Planning Affiliation FTA	Iowa Federal Highway Planning	Nebraska Federal Highway Planning	South Dakota Federal Highway Planning	Other Regional Planning Affiliation FTA	Total MPO/RPA
Revenues:							
Federal grant	$ 61,887	$ 22,565	$ 117,088	$ 37,404	$ 36,476	$ 67,765	$ 343,185
Membership dues	16,156	6,001	29,270	9,647	8,218	16,305	85,597
Total revenues	$ 78,043	$ 28,566	$ 146,358	$ 47,051	$ 44,694	$ 84,070	$ 428,782
Expenditures:							
Salaries and benefits	$ 46,221	$ 17,649	$ 87,990	$ 29,299	$ 28,251	$ 51,028	$ 260,438
Travel and training	428	112	1,529	620	94	2,579	5,362
Communications	15	15	35	19	3	6	93
Supplies	696	254	1,919	437	407	662	4,375
Dues and subscriptions	-	-	453	-	-	-	453
Purchased services	-	-	2,295	-	-	-	2,295
Advertising	136	163	124	82	105	170	780
Indirect/administrative	30,547	10,373	52,013	16,594	15,834	29,625	154,986
Total expenditures	$ 78,043	$ 28,566	$ 146,358	$ 47,051	$ 44,694	$ 84,070	$ 428,782
Revenues in excess (deficiency) of expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -

See accompanying independent auditors' report.

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2011

Grantor/Program	CFDA Number	Pass-Through Grantors' Number	Federal Expenditures
Direct:			
DEPARTMENT OF COMMERCE:			
Economic Development - Support for Planning Organizations	11.302		$ 62,000
Economic Adjustment Assistance	11.307		21,704
Total U.S. Department of Commerce			$ 83,704
DEPARTMENT OF AGRICULTURE:			
Rural Business Opportunity Grant	10.773		$ 24,110
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Section 8 Housing Choice Vouchers	14.871		$ 324,747
Total Direct			$ 432,561
Indirect:			
DEPARTMENT OF TRANSPORTATION:			
Passed through Iowa Department of Transportation:			
Highway Planning and Construction	20.205	11-MPO-SIMPCO	$ 119,716
Highway Planning and Construction	20.205	11RPA-04	61,887
Highway Planning and Construction	20.205	08-SRTS-008	8,041
Highway Planning and Construction	20.205	08-SRTS-007	4,659
Passed through Nebraska Department of Roads:			
Highway Planning and Construction	20.205	SPR-PL-1(48)	37,404
Passed through South Dakota Department of Transportation:			
Highway Planning and Construction	20.205	311104	36,476
			$ 268,183
Passed through Iowa Department of Transportation:			
Metropolitan Transportation Planning	20.505	11-MPO-SIMPCO	$ 52,437
Passed through Iowa Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	18-0029-040-11	$ 292,656
Formula Grants for Other than Urbanized Areas	20.509	85-X030-040-08	6,264
Formula Grants for Other than Urbanized Areas	20.509	85-X030-040-09	24,304
Formula Grants for Other than Urbanized Areas	20.509	11 RPA-04	22,565
ARRA - Formula Grants for Other than Urbanized Areas	20.509	06-0001-040-09	21,321
Training Fellowships	20.509		1,730
Passed through South Dakota Department of Transportation:			
Formula Grants for Other than Urbanized Areas	20.509	UM 1810(17)	7,345
Formula Grants for Other than Urbanized Areas	20.509	UM 3684(72)	29,427
Training Fellowships	20.509	TF-2010-Various	2,226
Training Fellowships	20.509		1,165
			$ 409,003
Passed through Iowa Department of Public Defense:			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		$ 30,238
Total U.S. Department of Transportation			$ 759,861
Total Indirect			$ 759,861
Total Federal Expenditures			$ 1,192,422

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of Siouxland Interstate Metropolitan Planning Council and its discretely component units and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditors' report.

KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

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

To the Board of Directors of
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

We have audited the financial statements of the governmental activities, the discretely presented component units and each major fund of Siouxland Interstate Metropolitan Planning Council as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements and have issued our report thereon dated February 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Siouxland Interstate Metropolitan Planning Council is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Siouxland Interstate Metropolitan Planning Council's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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

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Compliance and Other Matters

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

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

Kerg Reinsch Brasser & Co LLP

Sioux City, Iowa
February 3, 2012

KING, REINSCH, PROSSER & CO., L.L.P.
Certified Public Accountants

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

To the Board of Directors of
Siouxland Interstate Metropolitan Planning Council
Sioux City, Iowa

Compliance

We have audited Siouxland Interstate Metropolitan Planning Council's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Siouxland Interstate Metropolitan Planning Council's major federal programs for the year ended June 30, 2011. Siouxland Interstate Metropolitan Planning Council's major federal programs are identified in the Summary of the Independent Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Siouxland Interstate Metropolitan Planning Council's management. Our responsibility is to express an opinion on Siouxland Interstate Metropolitan Planning Council's compliance based on our audit.

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

In our opinion, Siouxland Interstate Metropolitan Planning Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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Internal Control Over Compliance

Management of Siouxland Interstate Metropolitan Planning Council is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Siouxland Interstate Metropolitan Planning Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Siouxland Interstate Metropolitan Planning Council's internal control over compliance.

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

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

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

King Reinert Ressler & Co LLP

Sioux City, Iowa
February 3, 2012

SIOUXLAND INTERSTATE METROPOLITAN PLANNING COUNCIL

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2011

PART I: SUMMARY OF THE INDEPENDENT AUDITORS' RESULTS:

(a) Unqualified opinions were issued on the financial statements.

(b) No material weaknesses in internal control over financial reporting were noted.

(c) The audit did not disclose any noncompliance that is material to the financial statements.

(d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.

(e) An unqualified opinion was issued on compliance with requirements applicable to each major program.

(f) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

(g) Major programs were as follows:

CFDA Number 14.871	Section 8 Housing Choice Vouchers
CFDA Number 20.509	Formula Grants for Other than Urbanized Areas

(h) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(i) Siouxland Interstate Metropolitan Planning Council qualified as a low-risk auditee.

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

No matters were noted.

PART III: FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

No matters were noted.