

MEMORANDUM

To: Banking Committee
From: Board Office
Subject: External Audit Report – Tri-State Graduate Center
Date: July 8, 2002

Recommended Action:

Receive the Siouxland Interstate Metropolitan Planning Council (Simpco) audit report for the fiscal year ended June 30, 2001, which includes the Tri-State Graduate Center.

Executive Summary:

Dierking, Lockie & Associates, P.C. of Sioux City, Iowa, conducted Simpco's audit for the fiscal year ended June 30, 2001, to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The auditors concluded that the general purpose financial statements were presented fairly in all material respects. There were no reported findings.

The audited financial statements of the Tri-State Graduate Center, one of the regional study centers, are included in the Simpco report.

Background:

The audit report is released on an annual basis and is conducted in accordance with:

- Generally accepted auditing standards;
 - Iowa Code Chapter 11; and
 - Standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
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Analysis:

Background

Simpco was organized in 1965 to provide planning activities for member governmental bodies and is:

- Comprised of 64 voluntary member governments; and
 - Considered the primary government entity, which incorporates certain other entities, including the Tri-State Graduate Center.
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Tri-State Center

The Tri-State Graduate Center is one of three regional study centers that receives state appropriations through the Regents, and serves post-secondary educational needs of Iowa residents who are geographically distant from the Regent campuses.

Audit Conclusion

The audit report concluded that:

- The financial statements presented fairly, in all material respects, the financial position of Simpco as of June 30, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.
 - Simpco complied in all material respects with the requirements of its major federal programs and that there were no matters involving internal control considered to be material weaknesses for the fiscal year ended June 30, 2001.
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Financial Data

The combined statement of revenues, expenditures, and changes in fund balance for the year ended June 30, 2001, was reported as follows:

	Simpco General Fund	Simpco Special Revenue Funds	Tri-State Portion of Special Revenue Funds
Revenues	\$126,175	\$992,232	\$139,223
Expenditures	\$99,911	\$1,064,759	\$147,861
Fund Balance	\$1,029	\$26,458	\$21,609

The General Fund represents the operating fund of Simpco. It is used to account for all resources used to support the administrative requirements.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The Tri-State portion of Special Revenue Funds for the year ended June 30, 2001, includes appropriations from the state of Iowa through the Board of Regents of \$85,936 (61.1%), which is similar to the portion reported for the prior fiscal year.
