

## Chariton Valley Planning &amp; Development Council

## Balance Sheet Prev Year Comparison

As of October 31, 2022

|                                       | Oct 31, 22       | Oct 31, 21       | \$ Change        |
|---------------------------------------|------------------|------------------|------------------|
| <b>ASSETS</b>                         |                  |                  |                  |
| Current Assets                        |                  |                  |                  |
| Checking/Savings                      |                  |                  |                  |
| 1000 · Checking                       | 28,972.71        | 36,022.60        | -7,049.89        |
| Total Checking/Savings                | 28,972.71        | 36,022.60        | -7,049.89        |
| Total Current Assets                  | 28,972.71        | 36,022.60        | -7,049.89        |
| Fixed Assets                          |                  |                  |                  |
| 1400 · Building                       | 26,476.00        | 26,476.00        | 0.00             |
| Total Fixed Assets                    | 26,476.00        | 26,476.00        | 0.00             |
| <b>TOTAL ASSETS</b>                   | <b>55,448.71</b> | <b>62,498.60</b> | <b>-7,049.89</b> |
| <b>LIABILITIES &amp; EQUITY</b>       |                  |                  |                  |
| Liabilities                           |                  |                  |                  |
| Current Liabilities                   |                  |                  |                  |
| Other Current Liabilities             |                  |                  |                  |
| 2010 · Line of Credit                 | 415.37           | -1,755.54        | 2,170.91         |
| 2110 · Direct Deposit Liabilities     | -0.03            | -8,183.05        | 8,183.02         |
| 2400 · Payroll Liabilities            |                  |                  |                  |
| 2405 · Federal Deposit Payable        | 2,722.70         | 2,411.98         | 310.72           |
| 2410 · State Withholding Payable      | 520.03           | 2,254.03         | -1,734.00        |
| 2415 · SUTA Payable                   | 348.67           | 348.67           | 0.00             |
| 2420 · IPERS Payable                  | 2,762.84         | 2,609.09         | 153.75           |
| 2400 · Payroll Liabilities - Other    | 249.03           | 249.03           | 0.00             |
| Total 2400 · Payroll Liabilities      | 6,603.27         | 7,872.80         | -1,269.53        |
| Total Other Current Liabilities       | 7,018.61         | -2,065.79        | 9,084.40         |
| Total Current Liabilities             | 7,018.61         | -2,065.79        | 9,084.40         |
| Long Term Liabilities                 |                  |                  |                  |
| 2300 · N/P #0531                      | -4,332.37        | 0.00             | -4,332.37        |
| Total Long Term Liabilities           | -4,332.37        | 0.00             | -4,332.37        |
| Total Liabilities                     | 2,686.24         | -2,065.79        | 4,752.03         |
| Equity                                |                  |                  |                  |
| 3200 · Unrestricted Net Assets        | 35,618.52        | 22,857.25        | 12,761.27        |
| Net Income                            | 17,143.95        | 41,707.14        | -24,563.19       |
| Total Equity                          | 52,762.47        | 64,564.39        | -11,801.92       |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>55,448.71</b> | <b>62,498.60</b> | <b>-7,049.89</b> |

12:52 PM

12/07/22

Cash Basis

## Chariton Valley Planning &amp; Development Council

## Profit &amp; Loss Prev Year Comparison

July through October 2022

|                                    | Jul - Oct 22     | Jul - Oct 21     | \$ Change         |
|------------------------------------|------------------|------------------|-------------------|
| <b>Income</b>                      |                  |                  |                   |
| 3000 · All Other Funds             | 97,527.85        | 131,663.11       | -34,135.26        |
| <b>Total Income</b>                | 97,527.85        | 131,663.11       | -34,135.26        |
| <b>Gross Profit</b>                | 97,527.85        | 131,663.11       | -34,135.26        |
| <b>Expense</b>                     |                  |                  |                   |
| 4000 · Payroll Expenses            | 53,859.85        | 54,693.42        | -833.57           |
| 4390 · Bank Service Charges        | 85.00            | 59.98            | 25.02             |
| 4400 · Fringe Benefits             | 9,217.77         | 9,312.72         | -94.95            |
| 4500 · Professional Services       | 2,940.00         | 1,573.07         | 1,366.93          |
| 4600 · Travel                      | 1,378.08         | 832.88           | 545.20            |
| 4700 · Maintenance Service/Repairs | 0.00             | 42.80            | -42.80            |
| 4720 · Equipment Purchased         | -2,353.95        | 0.00             | -2,353.95         |
| 4730 · Copier Lease                | 3,410.22         | 4,118.88         | -708.66           |
| 4900 · Utilities                   | 3,487.07         | 3,691.02         | -203.95           |
| 5000 · Supplies                    | 334.16           | 2,768.50         | -2,434.34         |
| 5100 · Postage                     | 9.80             | 109.00           | -99.20            |
| 5200 · Insurance                   | 0.00             | -337.86          | 337.86            |
| 6000 · Dues and Subscriptions      | 5,008.13         | 9,438.64         | -4,430.51         |
| 6050 · Meetings & Public Notices   | 2,931.68         | 3,486.46         | -554.78           |
| 7000 · Interest Expense            | 15.16            | 166.46           | -151.30           |
| 8050 · Service Expense             | 60.93            | 0.00             | 60.93             |
| <b>Total Expense</b>               | 80,383.90        | 89,955.97        | -9,572.07         |
| <b>Net Income</b>                  | <b>17,143.95</b> | <b>41,707.14</b> | <b>-24,563.19</b> |

**Chariton Valley Planning & Development Council**  
**Balance Sheet**  
As of November 30, 2022

|   | Nov 30, 22       |
|---|------------------|
| <b>ASSETS</b>                           |                  |
| <b>Current Assets</b>                   |                  |
| Checking/Savings                        |                  |
| 1000 · Checking                         | 56,217.53        |
| <b>Total Checking/Savings</b>           | 56,217.53        |
| <b>Total Current Assets</b>             | 56,217.53        |
| <b>Fixed Assets</b>                     |                  |
| 1400 · Building                         | 26,476.00        |
| <b>Total Fixed Assets</b>               | 26,476.00        |
| <b>TOTAL ASSETS</b>                     | <b>82,693.53</b> |
| <b>LIABILITIES &amp; EQUITY</b>         |                  |
| <b>Liabilities</b>                      |                  |
| <b>Current Liabilities</b>              |                  |
| Other Current Liabilities               |                  |
| 2010 · Line of Credit                   | 415.37           |
| 2110 · Direct Deposit Liabilities       | -0.03            |
| 2400 · Payroll Liabilities              |                  |
| 2405 · Federal Deposit Payable          | 3,059.94         |
| 2410 · State Withholding Payable        | 1,178.03         |
| 2415 · SUTA Payable                     | 348.67           |
| 2420 · IPERS Payable                    | 2,914.19         |
| 2400 · Payroll Liabilities - Other      | 249.03           |
| <b>Total 2400 · Payroll Liabilities</b> | 7,749.86         |
| <b>Total Other Current Liabilities</b>  | 8,165.20         |
| <b>Total Current Liabilities</b>        | 8,165.20         |
| <b>Long Term Liabilities</b>            |                  |
| 2300 · N/P #0531                        | -4,332.37        |
| <b>Total Long Term Liabilities</b>      | -4,332.37        |
| <b>Total Liabilities</b>                | 3,832.83         |
| <b>Equity</b>                           |                  |
| 3200 · Unrestricted Net Assets          | 35,618.52        |
| Net Income                              | 43,242.18        |
| <b>Total Equity</b>                     | 78,860.70        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>   | <b>82,693.53</b> |

## Chariton Valley Planning &amp; Development Council

12/07/22

## Balance Sheet Prev Year Comparison

Cash Basis

As of November 30, 2022

|                                       | Nov 30, 22       | Nov 30, 21       | \$ Change        |
|---------------------------------------|------------------|------------------|------------------|
| <b>ASSETS</b>                         |                  |                  |                  |
| Current Assets                        |                  |                  |                  |
| Checking/Savings                      |                  |                  |                  |
| 1000 - Checking                       | 56,217.53        | 29,811.02        | 26,406.51        |
| Total Checking/Savings                | 56,217.53        | 29,811.02        | 26,406.51        |
| Total Current Assets                  | 56,217.53        | 29,811.02        | 26,406.51        |
| Fixed Assets                          |                  |                  |                  |
| 1400 - Building                       | 26,476.00        | 26,476.00        | 0.00             |
| Total Fixed Assets                    | 26,476.00        | 26,476.00        | 0.00             |
| <b>TOTAL ASSETS</b>                   | <b>82,693.53</b> | <b>56,287.02</b> | <b>26,406.51</b> |
| <b>LIABILITIES &amp; EQUITY</b>       |                  |                  |                  |
| Liabilities                           |                  |                  |                  |
| Current Liabilities                   |                  |                  |                  |
| Other Current Liabilities             |                  |                  |                  |
| 2010 - Line of Credit                 | 415.37           | -3,077.84        | 3,493.21         |
| 2110 - Direct Deposit Liabilities     | -0.03            | -8,183.05        | 8,183.02         |
| 2400 - Payroll Liabilities            |                  |                  |                  |
| 2405 - Federal Deposit Payable        | 3,059.94         | 2,195.66         | 864.28           |
| 2410 - State Withholding Payable      | 1,178.03         | 896.03           | 282.00           |
| 2415 - SUTA Payable                   | 348.67           | 348.67           | 0.00             |
| 2420 - IPERS Payable                  | 2,914.19         | 2,420.34         | 493.85           |
| 2400 - Payroll Liabilities - Other    | 249.03           | 249.03           | 0.00             |
| Total 2400 - Payroll Liabilities      | 7,749.86         | 6,109.73         | 1,640.13         |
| Total Other Current Liabilities       | 8,165.20         | -5,151.16        | 13,316.36        |
| Total Current Liabilities             | 8,165.20         | -5,151.16        | 13,316.36        |
| Long Term Liabilities                 |                  |                  |                  |
| 2300 - N/P #0531                      | -4,332.37        | 0.00             | -4,332.37        |
| Total Long Term Liabilities           | -4,332.37        | 0.00             | -4,332.37        |
| Total Liabilities                     | 3,832.83         | -5,151.16        | 8,983.99         |
| Equity                                |                  |                  |                  |
| 3200 - Unrestricted Net Assets        | 35,618.52        | 22,857.25        | 12,761.27        |
| Net Income                            | 43,242.18        | 38,580.93        | 4,661.25         |
| Total Equity                          | 78,860.70        | 61,438.18        | 17,422.52        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>82,693.53</b> | <b>56,287.02</b> | <b>26,406.51</b> |

**Chariton Valley Planning & Development Council**  
**Profit & Loss Prev Year Comparison**  
**July through November 2022**

|                                    | <u>Jul - Nov 22</u>     | <u>Jul - Nov 21</u>     | <u>\$ Change</u>       |
|------------------------------------|-------------------------|-------------------------|------------------------|
| <b>Income</b>                      |                         |                         |                        |
| 3000 · All Other Funds             | 140,026.73              | 145,067.03              | -5,040.30              |
| <b>Total Income</b>                | <u>140,026.73</u>       | <u>145,067.03</u>       | <u>-5,040.30</u>       |
| <b>Gross Profit</b>                | 140,026.73              | 145,067.03              | -5,040.30              |
| <b>Expense</b>                     |                         |                         |                        |
| 4000 · Payroll Expenses            | 66,653.94               | 64,350.29               | 2,303.65               |
| 4390 · Bank Service Charges        | 85.00                   | 59.98                   | 25.02                  |
| 4400 · Fringe Benefits             | 11,403.70               | 10,962.19               | 441.51                 |
| 4500 · Professional Services       | 3,800.00                | 6,573.07                | -2,773.07              |
| 4600 · Travel                      | 1,729.56                | 868.84                  | 860.72                 |
| 4700 · Maintenance Service/Repairs | 0.00                    | 53.50                   | -53.50                 |
| 4720 · Equipment Purchased         | -2,353.95               | 0.00                    | -2,353.95              |
| 4730 · Copier Lease                | 3,410.22                | 4,118.88                | -708.66                |
| 4900 · Utilities                   | 3,696.22                | 3,868.15                | -171.93                |
| 5000 · Supplies                    | 334.16                  | 2,768.50                | -2,434.34              |
| 5100 · Postage                     | 9.80                    | 109.00                  | -99.20                 |
| 5200 · Insurance                   | 0.00                    | -337.86                 | 337.86                 |
| 6000 · Dues and Subscriptions      | 5,008.13                | 9,438.64                | -4,430.51              |
| 6050 · Meetings & Public Notices   | 2,931.68                | 3,486.46                | -554.78                |
| 7000 · Interest Expense            | 15.16                   | 166.46                  | -151.30                |
| 8050 · Service Expense             | 60.93                   | 0.00                    | 60.93                  |
| <b>Total Expense</b>               | <u>96,784.55</u>        | <u>106,486.10</u>       | <u>-9,701.55</u>       |
| <b>Net Income</b>                  | <u><u>43,242.18</u></u> | <u><u>38,580.93</u></u> | <u><u>4,661.25</u></u> |

[client letterhead]

January 1, 20XX,

Forge Financial and Management Consulting  
1245 Jordan Creek Parkway Suite 100  
West Des Moines, Iowa 50266

This representation letter is provided in connection with your audit of the statement of cash receipts, disbursements and changes in cash basis net assets of Chariton Valley Planning & Development Council of Governments for the year ended June 30, 2022, and the related notes to the financial statement, for the purpose of expressing an opinion as to whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 1, 20XX, the following representations made to you during your audit.

#### **Financial Statement**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 20, 2022, including our responsibility for the preparation and fair presentation of the financial statement.
2. The financial statement referred to above is fairly presented in conformity with the cash basis of accounting.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statement.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statement that would require adjustment to or disclosure in the financial statement.
8. We are in agreement with the adjusting journal entries you have proposed, and they have been posted the Council's general ledger.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Material concentrations have been appropriately disclosed in the financial statement.
11. Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in the financial statement.
12. As part of your audit, you prepared the draft financial statement and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all

management decision and performed all management functions. We have reviewed, approved, and accepted responsibility for the financial statement and related notes.

### Information Provided

13. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statement.
15. We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
16. We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statement.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statement communicated by employees, former employees, grantors, regulators, or others.
18. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing the financial statement.
19. We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have a process to track the status of audit findings and recommendations.
22. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
23. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24. Chariton Valley Planning & Development Council of Governments has no plans or intentions that may materially affect the carrying value of assets or equity.
25. Revenues and expenses have been appropriately classified in the financial statement, and allocations have been made on a reasonable basis.
26. The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as described in the notes to the financial statement.
27. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

28. The Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
29. Deposits are properly classified as to risk and are properly disclosed.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

January 1, 20XX

To the Board of Directors  
of Chariton Valley Planning & Development Council of Governments

We have audited the financial statement of Chariton Valley Planning & Development Council of Governments (Council) for the year ended June 30, 2022, and have issued our report thereon dated January 1, 20XX. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 8, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Chariton Valley Planning & Development Council of Governments are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2022. We noted no transactions entered into by the Council during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statement and because of the possibility that future events affecting them may differ significantly from those expected. We noted no particularly sensitive accounting estimates within the financial statement.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statement. Management has determined their effects are immaterial, both individually and in the aggregate, to the financial statements as a whole. The attached schedules of adjusting journal entries summarizes all misstatements detected as a result of our audit procedures that were corrected by management.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 1, 20XX.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Council's financial statement or a determination of the type of auditor's opinion that may be expressed on the statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Council's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Chariton Valley Planning & Development Council of Governments and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

*Forge Financial & Management Consulting*

January 1, 20XX

To the Board of Directors  
Chariton Valley Planning & Development Council of Governments

In planning and performing our audit of the financial statement of Chariton Valley Planning & Development Council of Governments, we noted a certain matter for management consideration. This letter does not affect our report dated January 1, 20XX on the financial statement of Chariton Valley Planning & Development Council of Governments.

We will review the status of these comments during our next audit engagement. We have already discussed these with management personnel, and we will be pleased to discuss them in further detail at your convenience. Our comments are as follows:

1. Vacation time accrual policy

Under the current vacation policy, employees are able to accrue an unlimited number of vacation hours which will be paid to the employee upon termination. We suggest that the Board evaluate the existing vacation policy and determine if the number of hours available for accrual should be limited. Doing so will prevent employees from accruing immense amounts of vacation time which will need to be paid out at a later date.

This report is intended solely for the information and use of the board of directors, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Forge Financial & Management Consulting*

**CHARITON VALLEY  
PLANNING & DEVELOPMENT  
COUNCIL OF GOVERNMENTS**

Independent Auditors' Reports  
Financial Statements  
Schedule of Findings

June 30, 2022

**DRAFT**

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**

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**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS  
Officials  
Executive Board of Directors**

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**Name and Title**

Larry Davis, Chairman  
Denny Amoss, Director  
David Dotts, Director  
Mark McGill, Director  
Joe Crall, Treasurer

**Representing**

Lucas County  
Monroe County  
Wayne County  
Appanoose County  
Private Sector

Nichole Moore, Executive Director  
Julie Pribyl, Program Support Specialist

**DRAFT**

## Independent Auditors' Report

To the Executive Board of Directors of  
Chariton Valley Planning & Development Council of Governments

### **Opinions**

We have audited the accompanying statement of cash receipts, disbursements and changes in cash basis net assets of the Chariton Valley Planning & Development Council of Governments, Centerville, Iowa, as of and for the year ended June 30, 2022, and the related notes to the financial statement.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash basis financial position of the Chariton Valley Planning & Development Council of Governments as of June 30, 2022, and the changes in its cash basis financial position for the year then ended in conformity with the cash basis of accounting described in Note 1.

### **Basis for Opinion**

Our responsibility is to express an opinion on this financial statement 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 statement is free from material misstatement.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chariton Valley Planning & Development Council of Governments' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Chariton Valley Planning & Development Council of Governments' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chariton Valley Planning & Development Council of Governments' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Basis of Accounting**

As described in Note 1, this financial statement is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to that matter.

### **Report on Internal Control Over Compliance**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 1, 20XX on our consideration of the Chariton Valley Planning & Development Council of Governments' internal control over financial reporting and 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 financing 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.

*Forge Financial & Management Consulting*

West Des Moines, Iowa  
January 1, 20XX

DRAFT

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Statement of Cash Receipts, Disbursements  
and Changes in Cash Basis Net Assets  
For the Year Ended June 30, 2022**

**Operating receipts:**

|  |                |
|--|----------------|
| Intergovernmental                      | \$ 236,239     |
| Transportation matching reimbursements | 32,033         |
| Membership dues                        | 21,177         |
| Total operating receipts               | <u>289,449</u> |

**Operating disbursements:**

|                                 |                |
|---------------------------------|----------------|
| Salaries and benefits           | 172,726        |
| Travel                          | 2,007          |
| Legal, accounting, and auditing | 12,704         |
| Insurance                       | 6,076          |
| Office equipment and supplies   | 49,769         |
| Dues and subscriptions          | 13,630         |
| Utilities                       | 11,120         |
| Miscellaneous                   | 4,456          |
| Total operating disbursements   | <u>272,488</u> |

**Surplus of operating receipts over  
operating disbursements**

16,961

**Non-operating activities:**

|                                |                 |
|--------------------------------|-----------------|
| Line of credit proceeds        | 20,000          |
| Line of credit repayments      | (45,957)        |
| Debt service:                  |                 |
| Interest                       | (3,019)         |
| Total non-operating activities | <u>(27,256)</u> |

**Change in cash basis net assets**

(10,295)

**Cash basis net assets beginning of year - unrestricted**

34,393

**Cash basis net assets end of year - unrestricted**

\$ 24,098

See notes to financial statement.

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Notes to Financial Statement**  
**Year Ended June 30, 2022**

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**Note 1 - Summary of Significant Accounting Policies**

The Chariton Valley Planning & Development Council of Governments (Council) is a council of governments formed July 1, 2007, pursuant to the provisions of Chapter 28E and Chapter 28H of the Code of Iowa. The Council's area of jurisdiction includes Appanoose, Lucas, Monroe and Wayne Counties.

The member County Boards of Supervisors appoint one supervisor from each county to serve on the Executive Board of Directors. During the year ended June 30, 2009, the Council added a member designated as Financial Advisor, a position not authorized by the articles of agreement.

*Reporting Entity* - For financial reporting purposes, the Chariton Valley Planning & Development Council of Governments has included all funds, organizations, boards, commissions, and authorities. It 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 statement 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 Council 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 Council. The Chariton Valley Planning & Development Council of Governments has no component units which meet the Governmental Accounting Standards Board criteria.

*Basis of Presentation* - The accounts of the Council are organized as an Enterprise Fund. Enterprise Funds are utilized to finance and account for the operation of facilities and services supported by user charges.

Enterprise Funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an Enterprise Fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

*Basis of Accounting* - The accompanying financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis, the only asset recognized is cash and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis of accounting differs from accounting principles generally accepted in the United States of America primarily because it does not give effect to accounts receivable, accounts payable and accrued items.

**Note 2 - Cash and Cash Equivalents**

The Council's deposits at June 30, 2022 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Notes to Financial Statement**  
**Year Ended June 30, 2022**

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**Note 2 - Cash and Cash Equivalents (Continued)**

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

**Note 3 - Line of Credit**

On June 26, 2018, the Council refinanced a promissory note with First Iowa State Bank for a revolving line of credit not to exceed \$45,430, with interest at 6.5% per annum on the outstanding principal balance. The line of credit is set to mature in December of 2022. The outstanding balance totaled \$10,223 as of June 30, 2022.

**Note 4 - Pension Plan**

*Plan Description* - IPERS membership is mandatory for employees of the Council, except for those covered by another retirement system. Employees of the Council are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive P.O. Box 9117, Des Moines, Iowa 50306-9117 or at [www.ipers.org](http://www.ipers.org).

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

*Pension Benefits* - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, any time after reaching age 62 with 20 or more years of covered employment, or when a member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. These qualifications must be met on the member's first month of entitlement to benefits. Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier based on years of service.
- The member's highest five-year average salary, except for members with service before June 30, 2012 will use the highest three-year average salary as of that date if it is greater than the highest five-year average salary.

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Notes to Financial Statement**  
**Year Ended June 30, 2022**

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**Note 4 - Pension Plan (Continued)**

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

*Disability and Death Benefits* - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

*Contributions* - Contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. State statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2022, pursuant to the required rate, regular members contributed 6.29 percent of pay and the Council contributed 9.44 percent for a total rate of 15.73 percent. The Council's total contributions to IPERS for the year ended June 30, 2022 were \$14,018.

*Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - At June 30, 2022, the Council's liability for its proportionate share of the collective net pension liability totaled \$2,565. The collective net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Council's proportion of the net pension liability was based on the Council's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2021, the Council's collective proportion was .001830 percent, which was an increase of .000114 percent from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, the Council's collective pension expense (reduction in expense), deferred outflows and deferred inflows totaled (\$8,918), \$26,277, and \$96,497, respectively.

There were no non-employer contributing entities to IPERS.

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Notes to Financial Statement**  
**Year Ended June 30, 2022**

**Note 4 - Pension Plan (Continued)**

*Actuarial Assumptions* - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  |  |
|--|--|
| Rate of inflation<br>(effective June 30, 2017)                   | 2.6 percent per annum  |
| Rates of salary increase<br>(effective June 30, 2017)            | 3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.         |
| Long-term investment rate of return<br>(effective June 30, 2017) | 7.00 percent, compounded annually, net of investment expense, including inflation            |
| Wage growth<br>(effective June 30, 2017)                         | 3.25 percent per annum, based on 2.60 percent inflation and 0.65 percent real wage inflation |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the RP-2014 Employee and Health Annuitant Tables with MP-2017 generational adjustments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b>       | <b>Asset Allocation</b> | <b>Long-Term Expected Real Rate of Return</b> |
|--------------------------|-------------------------|---|
| Domestic equity          | 22.0                    | 4.43  |
| International equity     | 17.5                    | 6.01  |
| Core plus fixed income   | 26.0                    | 0.29  |
| Public credit            | 4.0                     | 2.08  |
| Cash                     | 1.0                     | (0.25)  |
| Private equity           | 13.0                    | 9.51  |
| Private real assets      | 7.5                     | 4.63  |
| Private credit           | 3.0                     | 2.87  |
| Global Smart Beta Equity | 6.0                     | 5.10  |
| Total                    | 100%                    |   |

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Notes to Financial Statement**  
**Year Ended June 30, 2022**

**Note 4 - Pension Plan (Continued)**

*Discount Rate* - The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the contractually required rate and that contributions from the Council will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Council's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following presents the Council's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Council's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

|   | 1% Decrease<br>6.00% | Discount Rate<br>7.00% | 1% Increase<br>8.00% |
|---|----------------------|------------------------|----------------------|
| Council's proportionate share of the net pension liability: | \$ 90,783            | 2,565                  | (71,367)             |

*Pension Plan Fiduciary Net Position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at [www.ipers.org](http://www.ipers.org).

**Note 5 - Risk Pool**

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 the purchase of commercial insurance. 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.

**Note 6 - Compensated Absences**

Council employees accumulate a limited amount of earned but unused vacation and compensatory time hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the Council until used or paid. The Council's approximate liability for earned vacation and compensatory time payable to employees at June 30, 2022, is as follows:

| Type of Benefit   | Amount    |
|-------------------|-----------|
| Vacation          | \$ 30,123 |
| Compensatory time | 18,304    |
| Total             | \$ 48,427 |

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS  
Notes to Financial Statement  
Year Ended June 30, 2022**

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**Note 7 - Operating Leases**

The Council leases certain office equipment under an operating lease which expires in September 2023. Lease expense under the lease totaled \$5,400 for the year ending June 30, 2022.

Future minimum lease payments required under the lease is \$4,056 for the year ending June 30, 2023.

**DRAFT**

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**

**Independent Auditors' Report on Internal Control  
Schedule of Findings**

June 30, 2022

**DRAFT**

Independent Auditors' 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 Executive Board of Directors of  
Chariton Valley Planning & Development Council of Governments

We have audited, in accordance with the auditing standards generally accepted in the United State 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 statement of Chariton Valley Planning & Development Council of Governments as of and for the year ended June 30, 2022, and the related notes to the financial statement, and have issued our report thereon dated January 1, 20XX.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Chariton Valley Planning & Development Council of Governments' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Chariton Valley Planning & Development Council of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of Chariton Valley Planning & Development Council of Governments' 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 statement 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Chariton Valley Planning & Development Council of Governments' financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

## **Chariton Valley Planning & Development Council of Governments' Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on Chariton Valley Planning & Development Council of Governments' response to the findings identified in our audit and described in the accompanying schedule of findings. Chariton Valley Planning & Development Council of Governments' response was not subjected to the audit procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

## **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.

West Des Moines, Iowa  
January 1, 20XX

*Forge Financial & Management Consulting*

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Schedule of Findings**  
**Year Ended June 30, 2022**

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**Findings Related to the Financial Statement:**

**2021-001 - Material Weaknesses:**

- 1) Segregation of Duties over Billings, Collections and Delinquent Accounts – An important aspect of internal accounting control is the segregation of duties among employees to prevent an individual employee from handling duties that are incompatible. We noted that one person has control over billings, collections and delinquent accounts and billings, collections, and delinquent accounts were not always reconciled during the year ended June 30, 2022. An aging of receivables was not prepared or reviewed for delinquent receivables. Limited procedures exist to reconcile amounts collected to the records of billings/remittances.

Effect – Errors or fraud could occur in the general ledger without being detected.

Recommendation – Policies and procedures should be established to reconcile billings, collections, and delinquent accounts and to determine any receivable write-offs necessary. The Board or a Board-designated independent person should review the reconciliations and monitor delinquent accounts.

Response – The Executive Director will incorporate a chart showing program funding and outstanding disbursements and receipts.

Conclusion – Response accepted.

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS**  
**Schedule of Findings**  
**Year Ended June 30, 2022**

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**Instances of Noncompliance:**

No matters were noted.

**Other Findings Related to Statutory Reporting:**

- (A) Questionable Expenses – No expenses that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- (B) Travel Expense – No expenditures of money for travel expenses of spouses of Council officials or employees were noted.
- (C) Business Transactions – No business transactions between the Council and Council officials and employees were noted.
- (D) Board Minutes – No transactions were found that we believe should have been approved in the council minutes but were not.
- (E) Deposits and Investments – No instance of non-compliance with the deposits and investment provisions of Chapter 12B and Chapter 12C of the Code of Iowa and the Council's investment policy were noted.

**CHARITON VALLEY PLANNING &  
DEVELOPMENT COUNCIL OF GOVERNMENTS  
Staff**

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This audit was performed by:

Dan Montgomery, CPA, Engagement Partner  
Justin Schaubroeck, CPA, Senior Staff  
Eric Hensley, Staff

**DRAFT**

**Client:** CHARITON VALLEY PLANNING & DEVELOPMENT,  
**Engagement:** Chariton Valley Planning & Development 2022  
**Current Period:** 06/30/2022  
**Workpaper:** AJE Report

| Account      | Description                | Workpaper<br>Reference | Debit            | Credit           |
|--------------|----------------------------|------------------------|------------------|------------------|
| <b>1</b>     |                            |                        |                  |                  |
|              | To record PY entries       |                        |                  |                  |
| 1400         | Building                   |                        | 0.00             | 26,476.00        |
| 2010         | Line of Credit             |                        | 41,794.70        | 0.00             |
| 2300         | N/P #0531                  |                        | 2,482.98         | 0.00             |
| 2400         | Payroll Liabilities        |                        | 249.03           | 0.00             |
| 2405         | Federal Deposit Payable    |                        | 2,076.42         | 0.00             |
| 2410         | State Withholding Payable  |                        | 1,428.00         | 0.00             |
| 2415         | SUTA Payable               |                        | 673.85           | 0.00             |
| 2420         | IPERS Payable              |                        | 1,501.47         | 0.00             |
| 3200         | Unrestricted Net Assets    |                        | 0.00             | 23,730.45        |
| 2010         | Line of Credit             |                        | 0.00             | 8,289.34         |
| 2300         | N/P #0531                  |                        | 0.00             | 2,482.98         |
| 3200         | Unrestricted Net Assets    |                        | 10,772.32        | 0.00             |
| 2405         | Federal Deposit Payable    |                        | 1,259.72         | 0.00             |
| 2410         | State Withholding Payable  |                        | 0.00             | 119.97           |
| 2415         | SUTA Payable               |                        | 0.00             | 66.65            |
| 2420         | IPERS Payable              |                        | 831.65           | 0.00             |
| 3200         | Unrestricted Net Assets    |                        | 0.00             | 1,904.75         |
| 2110         | Direct Deposit Liabilities |                        | 0.00             | 2,131.35         |
| 2405         | Federal Deposit Payable    |                        | 0.00             | 1,215.52         |
| 2410         | State Withholding Payable  |                        | 0.00             | 12.00            |
| 2415         | SUTA Payable               |                        | 0.00             | 11.06            |
| 2420         | IPERS Payable              |                        | 42.93            | 0.00             |
| 3200         | Unrestricted Net Assets    |                        | 3,327.00         | 0.00             |
| <b>Total</b> |                            |                        | <b>66,440.07</b> | <b>66,440.07</b> |

|              |                               |  |                 |                 |
|--------------|-------------------------------|--|-----------------|-----------------|
| <b>2</b>     |                               |  |                 |                 |
|              | To remove payroll liabilities |  |                 |                 |
| 2110         | Direct Deposit Liabilities    |  | 2,131.32        | 0.00            |
| 2405         | Federal Deposit Payable       |  | 869.42          | 0.00            |
| 2410         | State Withholding Payable     |  | 264.00          | 0.00            |
| 2415         | SUTA Payable                  |  | 138.20          | 0.00            |
| 2420         | IPERS Payable                 |  | 631.09          | 0.00            |
| 4000         | Payroll Expenses              |  | 0.00            | 4,034.03        |
| <b>Total</b> |                               |  | <b>4,034.03</b> | <b>4,034.03</b> |

|          |   |  |      |           |
|----------|---|--|------|-----------|
| <b>3</b> |   |  |      |           |
|          | To recognize expense of debt principal activity |  |      |           |
| 2010     | Line of Credit                                  |  | 0.00 | 27,089.99 |

|              |                    |                  |                  |
|--------------|--------------------|------------------|------------------|
| 3095         | Debt proceeds      | 0.00             | 20,000.00        |
| 7011         | Principal Payments | 47,089.99        | 0.00             |
| <b>Total</b> |                    | <b>47,089.99</b> | <b>47,089.99</b> |

#### 4

To reclass revenue out of misc

|              |                         |                   |                   |
|--------------|-------------------------|-------------------|-------------------|
| 3090         | Misc./other income      | 146,161.50        | 0.00              |
| 2000         | 2000 State Funds        | 0.00              | 16,176.47         |
| 3010         | Service Income          | 0.00              | 96,775.00         |
| 3020         | Local Dues / COG        | 9,500.00          | 0.00              |
| 3030         | Local Dues / large city | 0.00              | 4,000.00          |
| 3040         | Local Dues / small city | 0.00              | 6,677.00          |
| 3050         | Local Dues / CVTPA      | 0.00              | 32,033.03         |
| 3051         | CVTPA                   | 0.00              | 0.00              |
| <b>Total</b> |                         | <b>155,661.50</b> | <b>155,661.50</b> |

#### 5

To record ICOG grant revenue for equipment purchase

|              |   |                  |                  |
|--------------|---|------------------|------------------|
| 4720         | Equipment Purchased                     | 27,646.05        | 0.00             |
| 3052         | ICOG: Equipment Purchase Reimbursements | 0.00             | 27,646.05        |
| <b>Total</b> |   | <b>27,646.05</b> | <b>27,646.05</b> |

#### 6

To adjust interest expense

|              |                    |                 |                 |
|--------------|--------------------|-----------------|-----------------|
| 7000         | Interest Expense   | 1,132.94        | 0.00            |
| 7011         | Principal Payments | 0.00            | 1,132.94        |
| <b>Total</b> |                    | <b>1,132.94</b> | <b>1,132.94</b> |

#### GRAND TOTAL

|                   |                   |
|-------------------|-------------------|
| <b>302,004.58</b> | <b>302,004.58</b> |
|-------------------|-------------------|

| Description | Factual (F),<br>Judgmental (J),<br>or Projected (P) | Account<br>Class | W/P Ref | Debit | Credit |
|-------------|---|------------------|---------|-------|--------|
|-------------|---|------------------|---------|-------|--------|

**Passed Journal Entry JE # 1**

|   |         |            |  |          |          |
|---|---------|------------|--|----------|----------|
| To adjust PY net assets for difference in beginning LOC balance |         |            |  |          |          |
| Net Assets  | Factual | Net Assets |  | 1,720.05 |          |
| Interest Expense  | Factual | Expense    |  |          | 1,720.05 |

1,720.05

1,720.05

**Passed Journal Entry JE # 2**

1,720.05

1,720.05

| Financial Statement Effect—Amount of Over (Under) Statement of: |             |            |          |          |                         |                    |
|---|-------------|------------|----------|----------|-------------------------|--------------------|
| Assets  | Liabilities | Net Assets | Revenues | Expenses | Change in<br>Net Assets | Working<br>Capital |

|   |   |       |   |       |         |  |
|---|---|-------|---|-------|---------|--|
| - | - | 1,720 | - | -     | -       |  |
| - | - | -     | - | 1,720 | (1,720) |  |
| - | - | -     | - | -     | -       |  |
| - | - | -     | - | -     | -       |  |
|   |   |       |   |       |         |  |
|   |   |       |   |       |         |  |
| - | - | -     | - | -     | -       |  |
| - | - | -     | - | -     | -       |  |

|   |          |       |          |           |           |           |          |          |
|---|----------|-------|----------|-----------|-----------|-----------|----------|----------|
| Totals  | \$0      | \$0   | \$0      | \$1,720   | \$0       | \$1,720   | -\$1,720 | \$0      |
| Effect of Unadjusted AD—Prior Years                             |          |       |          |           | \$0       | \$0       | \$0      | \$0      |
| Combined Current and Prior Year AD (Rollover Method)            | \$0      | \$0   | \$0      | \$1,720   | \$0       | \$1,720   | -\$1,720 | \$0      |
| Financial Statement Caption Totals                              | \$24,098 | \$0   | \$24,098 | \$309,449 | \$321,464 | -\$12,015 | \$24,098 | \$24,098 |
| Current and Prior Year AD as % of FS Captions (Rollover Method) | 0.00%    | 0.00% | 7.14%    | 0.00%     | 0.54%     | 14.32%    | 0.00%    | 0.00%    |