

**OFFICE OF AUDITOR OF STATE**

STATE OF IOWA

State Capitol Building  
Des Moines, Iowa 50319-0004

Telephone (515) 281-5834 Facsimile (515) 242-6134

David A. Vaudt, CPA  
Auditor of StateIndependent Accountant's Report on Applying Agreed-Upon Procedures

To Angie Asa-Lovstad, Executive Director of Kossuth Connections and  
Adam Lounsbury, Executive Director of the Iowa Commission on Volunteer Services:

We have performed the procedures enumerated below, which were agreed to by management of Kossuth Connections, Algona, Iowa, and the Iowa Commission on Volunteer Services within the Iowa Department of Economic Development, now known as the Iowa Economic Development Authority, solely to assist you in evaluating expenditures allowable for reimbursement to Kossuth Connections under AmeriCorps planning grant (#10-AP-04). Kossuth Connections is responsible for the accuracy of the expenditures submitted for reimbursement.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purposes.

The procedures and associated findings are as follows:

1. Review the reimbursement requests and supporting documentation submitted by Kossuth Connections to ICVS for allowability and compliance with Article 6.1(e) of the grant agreement.

For the period October 2010 through June 2011, we reviewed expenditures charged to the AmeriCorps planning grant as reported on its monthly Profit and Loss Detail (ledgers) provided to us by Kossuth Connections. By inspection, we determined expenditures charged to the AmeriCorps grant could be materially supported. We also inspected the expenditures charged to the AmeriCorps grant for allowability. See the findings in item 5.

2. Review guidance and instructions provided by ICVS and other agencies to determine if reimbursements requested by Kossuth Connections are consistent with directions provided regarding the scope of allowable reimbursements and compliance with other grant terms.

Through review of the grant agreements and inquiry of ICVS personnel, we gained an understanding of the guidance provided by ICVS to Kossuth Connections. See the findings in item 5.

3. Review the reimbursement request and supporting documentation for compliance with match requirements. See the findings in item 5.
4. Review allowable grant expenditures to determine if expenditures were charged to more than one grant.

Through inquiry and inspection, we did not identify expenditures charged to the AmeriCorps grant and to other grants.

5. Determine the amount of allowable grant expenditures incurred by Kossuth Connections and reimbursable by ICVS.

We reviewed expenditures reported on the Kossuth Connections Profit and Loss Detail for the period October 2010 through June 2011 for allowability with the ICVS, AmeriCorps grant requirements. As part of this review we summarized timesheets which were provided to support salary costs charged to the AmeriCorps grant.

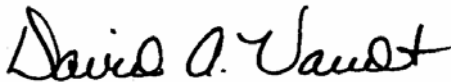
The purpose of the AmeriCorps grant is to "Support the work of local communities to prevent and reduce underage drinking". Per the grant agreement, year one planning will prepare sites to host ten full time AmeriCorps members. Kossuth Connections' staff will recruit and develop sites and supervision for ten members, with defined roles and responsibilities. Total expenditures, excluding salary costs, reported on the Kossuth Connections monthly Profit and Loss Detail totaled \$5,466.59. We identified \$2,544.40 of expenditures which may not meet the purpose of the AmeriCorps grant and, therefore, may not be allowable.

Although the documentation of in-kind services identified by Kossuth Connections to be used as match for the AmeriCorps grant were not properly supported, the required match was met, in part, by additional salary costs for the Executive Director not originally charged to the AmeriCorps grant. The use of these salary costs as part of the required match was allowed by ICVS. The remaining match was met through direct program expenditures.

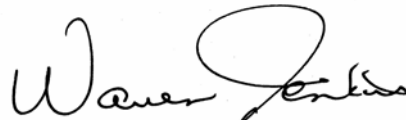
A summary of allowable and questioned expenditures, including the calculation of salary costs, was provided to Kossuth Connections and the Iowa Commission on Volunteer Services to make the final determination of allowable grant expenditures to be reimbursed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the allowable grant expenditures of Kossuth Connections. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would be reported to you.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Kossuth Connections, the Iowa Commission on Volunteer Services, Iowa Economic Development Authority and other parties to whom Kossuth Connections and the Iowa Economic Development Authority may report. This report is not intended to be and should not be used by anyone other than these specified parties.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

June 15, 2012