



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
Des Moines, Iowa 50319-0004

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

**NEWS RELEASE**

FOR RELEASE \_\_\_\_\_ June 6, 2006

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on America's Agricultural Industrial Heritage Landscape, Inc., d/b/a Silos and Smokestacks National Heritage Area (Silos and Smokestacks), in Waterloo, Iowa for the years ended December 31, 2005 and 2004.

Silos and Smokestacks was organized in 1996 as a non-profit corporation for charitable and educational purposes. The mission of Silos and Smokestacks is to preserve and tell the story of American agriculture and its global significance through partnerships and activities that celebrate the land, people and communities of the area.

Vaudt reported Silos and Smokestacks' public support and revenues totaled \$779,733 for the year ended December 31, 2005, a 22.7% increase from 2004. Public support and revenue consisted primarily of a \$693,308 federal grant, provided through the National Park Service, for conserving, interpreting and developing the historical, cultural, natural and recreational resources related to the industrial and cultural heritage of Northeast Iowa. Expenses totaled \$747,610 for the year ended December 31, 2005, a 23.6% increase from 2004, and included \$383,144 in project expenses and \$281,798 in personnel expenses. Federal grant revenues increased \$109,057 from fiscal year 2004 to 2005, primarily to support increased project expenses. There was an increase in farm tours, signage projects, educational and promotional projects, and public awareness, promotion, printing and postage related to projects.

A copy of the audit report is available for review in the office of the Executive Director of Silos and Smokestacks, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

# # #

**AMERICA'S AGRICULTURAL  
INDUSTRIAL HERITAGE LANDSCAPE, INC.  
D/B/A SILOS AND SMOKESTACKS NATIONAL HERITAGE AREA**

**INDEPENDENT AUDITOR'S REPORTS  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**DECEMBER 31, 2005 AND 2004**

## Table of Contents

		Page
Board of Trustees		3
Independent Auditor's Report		5
Financial Statements:	<u>Exhibit</u>	
Statements of Financial Position	A	8
Statements of Activities	B	9
Statements of Cash Flows	C	10
Notes to Financial Statements		11-13
Supplementary Information:	<u>Schedule</u>	
Statements of Public Support and Revenues, Expenses and Changes in Net Assets	1	16-17
Schedule of Expenditures of Federal Awards	2	18
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>		19-20
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133		21-22
Schedule of Findings and Questioned Costs		23-25
Staff		26

**Silos and Smokestacks National Heritage Area**

**Board of Trustees**

<u>Name</u>	<u>Title</u>
Robert Casterton	Chairman
Fred Kirschenmann	Vice Chair
Soo Greiman	Treasurer
Daniel Brown	Secretary
Ruby Triplett	Past Chair
Kristopher Einsweiler	Member
Jerry Enzler	Member
Robert Gunderson	Member
Jen Holtkamp	Member
Jim Hosch	Member
Tom Husnik	Member
Michael Morrison	Member
Wade Wagner	Member
Phyllis Ewing	Partnership Panel Chair
Donald Short	Executive Director

**Silos and Smokestacks National Heritage Area**



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Independent Auditor's Report

To the Board of Trustees of Silos and Smokestacks National Heritage Area:

We have audited the accompanying financial statements, listed as exhibits in the table of contents of this report, of America's Agricultural Industrial Heritage Landscape, Inc., d/b/a Silos and Smokestacks National Heritage Area (Silos and Smokestacks), as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of Silos and Smokestacks' management. Our responsibility is to express an opinion on these financial statements based on our audits.

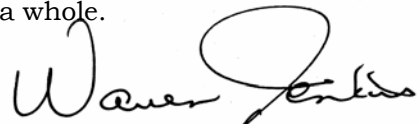
We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the 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 our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Silos and Smokestacks as of December 31, 2005 and 2004, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also included our report dated April 12, 2006 on our consideration of Silos and Smokestacks' 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 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 and 2, including the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the aforementioned financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

  
DAVID A. VAUDT, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 12, 2006

**Silos and Smokestacks National Heritage Area**

## **Financial Statements**



**Exhibit A**

## Silos and Smokestacks National Heritage Area

## Statements of Financial Position

December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 76,194	89,264
Accounts receivable	5,360	50,000
Grants receivable	256,509	177,620
Prepaid expenses	676	681
Equipment, less accumulated depreciation of \$21,662 and \$21,160	<u>17,824</u>	<u>18,697</u>
<b>Total assets</b>	<u><u>\$ 356,563</u></u>	<u><u>336,262</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable	\$ 16,515	1,054
Payroll tax payable	6,256	4,477
Compensated absences	6,115	6,249
Deferred revenue	46,532	75,460
Total liabilities	<u>75,418</u>	<u>87,240</u>
Net assets - unrestricted	<u>281,145</u>	<u>249,022</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 356,563</u></u>	<u><u>336,262</u></u>

See notes to financial statements.

Silos and Smokestacks National Heritage Area

Statements of Activities

Years ended December 31, 2005 and 2004

	2005	2004
Public support and revenues:		
Public support:		
Contributions	\$ 52,350	33,564
Federal support	693,308	584,251
	<u>745,658</u>	<u>617,815</u>
Revenues:		
Workshop income	9,740	1,820
Tour income	22,348	5,913
Speaking fees	-	2,093
Survey income	-	3,500
Rent	1,650	3,200
Interest income	167	55
Miscellaneous	170	844
	<u>34,075</u>	<u>17,425</u>
Total public support and revenues	<u>779,733</u>	<u>635,240</u>
Expenses:		
Project	383,144	257,878
Personnel	281,798	253,074
Occupancy	25,738	26,584
Administration	56,930	67,302
Total expenses	<u>747,610</u>	<u>604,838</u>
Change in net assets	32,123	30,402
Net assets beginning of year	<u>249,022</u>	<u>218,620</u>
Net assets end of year	<u>\$ 281,145</u>	<u>249,022</u>

See notes to financial statements.

**Exhibit C**

## Silos and Smokestacks National Heritage Area

## Statements of Cash Flows

Years ended December 31, 2005 and 2004

	2005	2004
Cash flows from operating activities:		
Cash received from federal sources	\$ 614,419	556,169
Contributions received	100,320	73,194
Rent received	1,650	3,200
Interest received	167	55
Cash paid for goods and services and to employees	(721,779)	(593,169)
Net cash provided (used) by operating activities	(5,223)	39,449
Cash flows from capital activities:		
Acquisition of equipment	(7,847)	(10,713)
Net increase (decrease) in cash and cash equivalents	(13,070)	28,736
Cash and cash equivalents beginning of year	89,264	60,528
Cash and cash equivalents end of the year	\$ 76,194	89,264
<b>Reconciliation of change in net assets to net cash provided (used) by operating activities:</b>		
Change in net assets	\$ 32,123	30,402
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,931	8,044
Loss on disposal of equipment	789	714
(Increase) in grants receivable	(78,889)	(28,082)
(Increase) decrease in accounts receivable	44,640	(50,000)
(Increase) decrease in prepaid expenses	5	(681)
Increase in accounts payable	15,461	151
Increase in payroll tax payable	1,779	263
Increase (decrease) in compensated absences	(134)	3,178
Increase (decrease) in deferred revenue	(28,928)	75,460
Net cash provided (used) by operating activities	\$ (5,223)	39,449

See notes to financial statements.

Silos and Smokestacks National Heritage Area

Notes to Financial Statements

December 31, 2005 and 2004

**(2) Summary of Significant Accounting Policies**

A. Reporting Entity

America's Agricultural Industrial Heritage Landscape, Inc., d/b/a Silos and Smokestacks National Heritage Area (Silos and Smokestacks), was organized in 1996 as a non-profit corporation for charitable and educational purposes. It was created to support and facilitate the development of regional heritage tourism and to share the story of American agriculture. Silos and Smokestacks encompasses a 37 county region in northeast Iowa and is federally designated as a National Heritage Area and operates as an affiliate of the National Park Service. The primary source of public support is a grant received from the National Park Service.

Silos and Smokestacks is exempt from tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law, which provides tax exemption for corporations organized and operated exclusively for charitable, religious or educational purposes.

B. Fund Accounting

Silos and Smokestacks' accounts for all resources over which it has discretionary control to use in carrying out the operations of the organization in accordance with the limitations of its charter and bylaws.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Revenues are recorded when earned and expenses are recorded when the liability is incurred.

Purchases of equipment providing future benefits are capitalized and depreciated.

D. Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Silos and Smokestacks and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

E. Assets, Liabilities and Net Assets

Cash and Cash Equivalents – Silos and Smokestacks considers savings accounts and all other highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Equipment – Purchased equipment is stated at cost. Donated fixed assets are valued at the estimated fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful lives of 3 to 7 years. No interest costs were capitalized since there were no qualifying assets.

Compensated Absences – Employees accumulate a limited amount of earned but unused vacation benefits payable. Amounts representing the cost of compensated absences are recorded as liabilities and have been computed based on rates of pay in effect at December 31, 2005 and 2004.

**(2) Equipment**

A summary of equipment is as follows:

	December 31,	
	2005	2004
Equipment	\$ 39,486	39,857
Less: accumulated depreciation	21,662	21,160
Equipment, net	\$ 17,824	18,697

**(3) Employee Benefit Plan**

Silos and Smokestacks offers a SIMPLE IRA plan. Under the plan, an employee can defer to their SIMPLE IRA up to \$10,000 and \$9,000 per year for the years ended December 31, 2005 and 2004, respectively. In addition, employees over 50 years of age can defer an additional \$2,000 per year to their SIMPLE IRA. Investments grow tax-deferred, along with employer contributions. Silos and Smokestacks provides a dollar for dollar match for each participating employee’s deferral, up to 3% of the employee’s compensation. Plan expenses incurred by Silos and Smokestacks during the years ended December 31, 2005 and 2004 were \$6,571 and \$6,130, respectively.

**(4) Risk Management**

Silos and Smokestacks 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. Settled claims for these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

**(5) Matching Grant Activity**

Silos and Smokestacks entered into an agreement with the U.S. Department of Interior, National Park Service (NPS) to receive up to a total of \$10 million in grant funds during the period June 2000 through September 2010. The agreement requires a dollar for dollar match of Federal funds with non-Federal funds.

In a prior year, Silos and Smokestacks contributed \$250,000 to the Iowa Equestrian Center at Kirkwood Community College, Cedar Rapids, Iowa. The NPS has allowed Silos and Smokestacks to use the total non-Federal project cost of Phase II of the Iowa Equestrian Center of \$2.8 million as match. As of December 31, 2005, Silos and Smokestacks has used \$1,457,000 of the Phase II project costs as match.

**Silos and Smokestacks National Heritage Area**

**Supplementary Information**



**Schedule 1**

## Silos and Smokestacks National Heritage Area

## Statements of Public Support and Revenues, Expenses and Changes in Net Assets

Years ended December 31, 2005 and 2004

	2005	2004
Public support and revenues:		
Public support:		
Contributions	\$ 52,350	33,564
Federal support:		
National Park Service grant	693,308	584,251
	<u>745,658</u>	<u>617,815</u>
Revenues:		
Workshop income	9,740	1,820
Tour income	22,348	5,913
Speaking fees	-	2,093
Survey income	-	3,500
Rent	1,650	3,200
Interest income	167	55
Miscellaneous	170	844
	<u>34,075</u>	<u>17,425</u>
Total public support and revenues	<u>779,733</u>	<u>635,240</u>
Expenses:		
Project:		
Consultants	57,825	101,066
Grant and loan projects	62,052	78,710
Dues, memberships and subscriptions	7,111	6,214
Public awareness and promotion	56,904	21,782
Printing and postage	42,600	13,786
Website maintenance	8,727	251
Education and promotion projects	32,904	-
International Heritage Development projects	-	750
Signage projects	27,162	-
Donor wall	-	4,161
STEP-Survey project	10,720	2,500
Silos and Smokestacks National Heritage Area Conference	6,338	-
International Heritage Development Conference	4,100	-
Farm tours	21,717	5,158
Meeting and registration expense	15,960	4,094
Travel, mileage and lodging	25,297	17,647
Other	3,727	1,759
	<u>383,144</u>	<u>257,878</u>
Personnel:		
Salaries	231,314	210,221
Payroll tax	17,245	15,055
Insurance	25,257	20,541
Employee benefits	6,642	6,189
Other	1,340	1,068
	<u>281,798</u>	<u>253,074</u>

## Silos and Smokestacks National Heritage Area

## Statements of Public Support and Revenues, Expenses and Changes in Net Assets

Years ended December 31, 2005 and 2004

	2005	2004
Expenses (continued):		
Occupancy:		
Rent	18,304	18,084
Telephone	5,309	6,405
Other	2,125	2,095
	<u>25,738</u>	<u>26,584</u>
Administration:		
Accounting	6,552	5,729
Consultants	3,700	13,696
Depreciation	7,931	8,044
Insurance	4,042	2,660
Dues, memberships and subscriptions	6,431	6,715
Materials and supplies	5,034	5,369
Printing and copies	1,884	2,535
Postage and shipping	1,713	1,823
Advertising and promotion	1,798	2,050
Training and education	224	1,717
Repair and maintenance	5,075	5,476
Meetings and registrations	1,587	2,580
Travel, mileage and lodging	8,010	6,805
Other	2,949	2,103
	<u>56,930</u>	<u>67,302</u>
Total expenses	<u>747,610</u>	<u>604,838</u>
Change in net assets	32,123	30,402
Net assets beginning of year	249,022	218,620
Net assets end of year	<u>\$ 281,145</u>	<u>249,022</u>

See accompanying independent auditor's report.

**Schedule 2**

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Silos and Smokestacks National Heritage Area

Schedule of Expenditures of Federal Awards

Year ended December 31, 2005

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Grantor/Program	CFDA Number	Agency or Pass-through Number	Program Expenditures
Direct:			
U.S. Department of the Interior:			
National Park Service:			
Unknown Title	15.000	CA6069A0031	\$ <u>693,308</u>

**Basis of Presentation** – The Schedule of Expenditures of Federal Awards includes the federal grant activity of Silos and Smokestacks National Heritage Area and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See accompanying independent auditor's report.



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Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Board of Trustees of Silos and Smokestacks National Heritage Area:

We have audited the financial statements of America's Agricultural Industrial Heritage Landscape, Inc., d/b/a Silos and Smokestacks National Heritage Area (Silos and Smokestacks), as of and for the year ended December 31, 2005, and have issued our report thereon dated April 12, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards 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

In planning and performing our audit, we considered Silos and Smokestacks' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Silos and Smokestacks' ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in Part II of the accompanying Schedule of Findings and Questioned Costs.

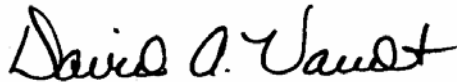
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Silos and Smokestacks' financial statements are free of 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 non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Silos and Smokestacks and other parties to whom Silos and Smokestacks may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Silos and Smokestacks during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 12, 2006



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STATE OF IOWA

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Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and on Internal Control over Compliance  
in Accordance with OMB Circular A-133

To the Board of Trustees of Silos and Smokestacks National Heritage Area:

Compliance

We have audited the compliance of America's Agricultural Industrial Heritage Landscape, Inc., d/b/a, Silos and Smokestacks National Heritage Area (Silos and Smokestacks), with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2005. Silos and Smokestacks' major federal program is identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to its major federal program is the responsibility of Silos and Smokestacks' management. Our responsibility is to express an opinion on Silos and Smokestacks' compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, 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 non-compliance 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 Silos and Smokestacks' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Silos and Smokestacks' compliance with those requirements.

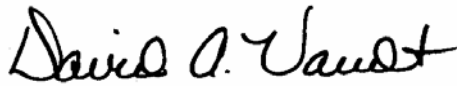
In our opinion, Silos and Smokestacks complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2005.

Internal Control Over Compliance

The management of Silos and Smokestacks is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Silos and Smokestacks' internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Silos and Smokestacks and other parties to whom Silos and Smokestacks may report, including federal awarding agencies and pass-through entities. 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

April 12, 2006

Silos and Smokestacks National Heritage Area

Schedule of Findings and Questioned Costs

December 31, 2005

**Part I: Summary of the Independent Auditor's Results:**

- (a) An unqualified opinion was issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over the major program were noted.
- (e) An unqualified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit did not disclose any audit findings required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Silos and Smokestacks' major program is CFDA #15.000 – Unknown Title.
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Silos and Smokestacks did not qualify as a low-risk auditee.



Silos and Smokestacks National Heritage Area

Schedule of Findings and Questioned Costs

December 31, 2005

**Part II: Findings Related to the Financial Statements:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITION:**

II-A-05 Receipts – Checks received are restrictively endorsed “for deposit only”.  
However, this was not done upon receipt.

Recommendation – Checks received should be restrictively endorsed “for deposit only” immediately upon receipt.

Response – We will stamp checks with the restrictive endorsement “for deposit only” immediately upon opening the mail.

Conclusion – Response accepted.

Silos and Smokestacks National Heritage Area

Schedule of Findings and Questioned Costs

December 31, 2005

**Part III: Findings and Questioned Costs For Federal Awards:**

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

**REPORTABLE CONDITION:**

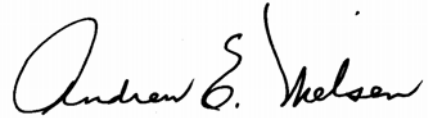
No material weaknesses in internal control over the major program were noted.

Silos and Smokestacks National Heritage Area

Staff

This audit was performed by:

Kay F. Dunn, CPA, Manager  
Darryl J. Brumm, CPA, Senior Auditor II  
Shawn R. Elsbury, Assistant Auditor

A handwritten signature in black ink that reads "Andrew E. Nielsen". The signature is written in a cursive style with a large initial 'A' and 'N'.

Andrew E. Nielsen, CPA  
Deputy Auditor of State