

**Iowa Association for the Education of Young Children  
Des Moines, Iowa**

**FINANCIAL REPORT**

**June 30, 2013**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Iowa Association for the Education of Young Children  
Des Moines, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of Iowa Association for the Education of Young Children, which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements 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 the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iowa Association for the Education of Young Children as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 11-14, including the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2013, on our consideration of the Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Iowa Association for the Education of Young Children's internal control over financial reporting and compliance.

*Denman & Company, LLP*

**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
October 4, 2013

**Iowa Association for the Education of Young Children  
STATEMENTS OF FINANCIAL POSITION**

	<b>June 30</b>	
<b>ASSETS</b>	<b>2013</b>	<b>2012</b>
Cash	\$ 88,179	\$ 45,475
Accounts receivable	189,623	221,875
Investments	43,654	34,064
Prepaid expenses	1,549	3,146
Totals	\$ 323,005	\$ 304,560
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Note payable	\$ 125,000	\$ 150,000
Accounts payable	8,887	-
Accrued employee compensation	25,034	24,380
Deferred revenue	52,777	25,156
Custodian accounts	7,407	8,103
Total liabilities	219,105	207,639
<b>NET ASSETS</b> , unrestricted	103,900	96,921
Totals	\$ 323,005	\$ 304,560

See Notes to Financial Statements.

**Iowa Association for the Education of Young Children  
STATEMENTS OF ACTIVITIES**

	<u>Year ended June 30</u>	
	<u>2013</u>	<u>2012</u>
<b>UNRESTRICTED REVENUE</b>		
TEACH program		
Iowa Department of Human Services	\$ 400,000	\$ 400,000
Iowa Department of Management	330,422	246,685
Iowa Department of Education	60,309	106,453
United Way of Central Iowa	63,182	78,000
Child Care Services Association	-	14,994
Early Childhood Iowa, county contracts		
Blackhawk	15,000	17,000
Marion	-	1,600
Polk	85,000	80,000
Copayments from recipients	<u>50,066</u>	<u>86,619</u>
	1,003,979	1,031,351
Conference income	72,033	72,159
Contract income	140,392	82,009
Membership dues	35,298	32,681
Contributions	10,979	6,948
Investment income (loss)	10,593	(23,002)
Miscellaneous	<u>7,537</u>	<u>14,110</u>
Total revenue	<u>1,280,811</u>	<u>1,216,256</u>
<b>EXPENSES</b>		
Program services—education and training	1,078,858	1,070,147
Supporting services—management and general	<u>194,974</u>	<u>181,284</u>
Total expenses	<u>1,273,832</u>	<u>1,251,431</u>
<b>CHANGE IN NET ASSETS</b>	6,979	(35,175)
<b>NET ASSETS, beginning</b>	<u>96,921</u>	<u>132,096</u>
<b>NET ASSETS, ending</b>	<u>\$ 103,900</u>	<u>\$ 96,921</u>

See Notes to Financial Statements.

**Iowa Association for the Education of Young Children  
STATEMENTS OF CASH FLOWS**

	<b>Year ended June 30</b>	
	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 6,979	\$ (35,175)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized (gains)	-	(835)
Changes in unrealized (gains) losses	(10,589)	25,082
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	32,252	(60,518)
(Increase) decrease in prepaid expenses	1,597	(3,013)
Increase in accounts payable	8,887	-
Increase (decrease) in accrued employee compensation	654	(1,345)
Increase (decrease) in deferred revenue	27,621	(13,066)
Increase (decrease) in custodian accounts	<u>(696)</u>	<u>8,103</u>
Net cash provided by (used in) operating activities	<u>66,705</u>	<u>(80,767)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on note payable	<u>(25,000)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturities of investments	999	45,004
Purchases of investments	<u>-</u>	<u>(16,249)</u>
Net cash provided by investing activities	<u>999</u>	<u>28,755</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	42,704	(52,012)
<b>CASH</b>		
Beginning	<u>45,475</u>	<u>97,487</u>
Ending	<u>\$ 88,179</u>	<u>\$ 45,475</u>

See Notes to Financial Statements.

**Iowa Association for the Education of Young Children  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Iowa Association for the Education of Young Children is an Iowa nonprofit corporation organized to serve and act on behalf of the needs, right and well being of all young children with primary focus on the promotion of educational and development services and resources for children, families and communities.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Not-for-Profit Entities Topic of the *FASB Accounting Standards Codification*. Accordingly, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association had only unrestricted net assets during the years ended June 30, 2013 and 2012.

Unrestricted net assets are those assets which are neither temporarily or permanently restricted by donor-imposed stipulations and represent the portion of expendable assets available for support of Association operations.

Temporarily restricted net assets represent contributions or other inflows of assets whose use by the Association is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Association pursuant to those stipulations. As donor imposed stipulations expire, temporarily restricted net assets are reclassified as unrestricted net assets.

Permanently restricted net assets represent contributions or other inflows of assets whose use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Investments**

The Association carries investments in money market funds and marketable securities with readily determinable fair values at their fair values in the statement of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

**Deferred Revenue**

Deferred revenue primarily consists of cash received from TEACH program contracts in advance of performance of the services required under the specific provisions of each contract.

**Functional Allocation of Expenses**

The cost of providing for the program has been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated to the program service and supporting services benefited.



**Iowa Association for the Education of Young Children  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Income Taxes**

The Association is exempt from federal income taxes under applicable provisions of the Internal Revenue Code. The Association follows the accounting for uncertainty in income tax requirements as required by the Income Tax Topic of the *FASB Accounting Standards Codification*. Management has evaluated their material tax positions and determined no income tax effects with respect to the financial statements. The Association has not been notified of any impending examinations by tax authorities, and no examinations are in process.

**NOTE 2 INVESTMENTS**

The Association's investments are as follows:

	<b>June 30</b>	
	<b>2013</b>	<b>2012</b>
Money market funds	\$ 15,572	\$ 16,571
Corporation common stocks	28,082	17,493
Totals	\$ 43,654	\$ 34,064

Investment (loss) consisted of the following:

	<b>Year ended June 30</b>	
	<b>2013</b>	<b>2012</b>
Interest and dividends	\$ 4	\$ 1,245
Realized gains	-	835
Changes in unrealized gains (losses)	10,589	(25,082)
Totals	\$ 10,593	\$ (23,002)

**Fair Value of Financial Instruments**

The Association measures the fair value of investments in accordance with the Fair Value Measurements and Disclosures Topic of the *FASB Accounting Standards Codification*, which established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, generally ranging from the most objective to the most subjective. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are generally available indirect information, such as quoted prices for identical or similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Level 3 inputs are the most subjective, are generally based on the management's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances. All of the Association's investments were valued using Level 1 inputs at June 30, 2013 and 2012.

**Iowa Association for the Education of Young Children  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 NOTE PAYABLE**

Note payable consists of a line of credit with a bank providing a maximum credit limit of \$175,000, under which \$125,000 was outstanding at June 30, 2013. The agreement carries interest equal to the prime rate, plus 1%, with an interest rate floor of 5%. The interest rate at June 30, 2013 was 5%. The agreement is secured by virtually all assets of the Association and has a maturity date of March, 2014.

**NOTE 4 SUBSEQUENT EVENTS**

The Association has evaluated subsequent events through October 4, 2013, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.

**Iowa Association for the Education of Young Children  
SCHEDULES OF EXPENSES**

	<b>Year ended June 30, 2013</b>		
	<b>Program services</b>	<b>Supporting services</b>	
	<b>Education and training</b>	<b>Management and general</b>	<b>Total</b>
Salaries	\$ 268,171	\$ 114,931	\$ 383,102
Payroll taxes	23,274	9,974	33,248
Employee benefits	<u>8,418</u>	<u>3,607</u>	<u>12,025</u>
Total salaries and related benefits	299,863	128,512	428,375
Scholarships			
TEACH program	502,935	–	502,935
Other	43,200	–	43,200
Travel			
Staff and board members	23,239	17,294	40,533
TEACH program	52,098	–	52,098
Contracted services	8,287	–	8,287
Continuing education	5,610	–	5,610
Rent	26,798	3,654	30,452
Utilities	3,499	477	3,976
Supplies	6,842	1,710	8,552
Printing and publications	696	10,638	11,334
Payroll processing services	–	2,303	2,303
Postage	2,882	721	3,603
Telephone	8,883	2,221	11,104
Minor equipment	13,304	3,326	16,630
Conference costs	26,703	–	26,703
Meetings	5,163	120	5,283
Promotion costs	12,302	–	12,302
Professional fees	19,424	12,949	32,373
Insurance	–	5,076	5,076
Rebates	3,754	–	3,754
Provision for bad debts	13,376	–	13,376
Interest	–	3,137	3,137
Miscellaneous	<u>–</u>	<u>2,836</u>	<u>2,836</u>
 Total	 <u>\$1,078,858</u>	 <u>\$ 194,974</u>	 <u>\$1,273,832</u>

<b>Year ended June 30, 2012</b>		
<b>Program services</b>	<b>Supporting services</b>	
<b>Education and training</b>	<b>Management and general</b>	<b>Total</b>
\$ 265,734	\$ 113,886	\$ 379,620
23,604	10,116	33,720
<u>5,681</u>	<u>2,434</u>	<u>8,115</u>
295,019	126,436	421,455
556,936	–	556,936
19,948	–	19,948
19,973	8,420	28,393
49,389	–	49,389
1,660	–	1,660
4,229	–	4,229
26,272	3,583	29,855
3,078	420	3,498
5,449	1,362	6,811
828	7,619	8,447
–	1,971	1,971
2,474	619	3,093
6,730	1,683	8,413
10,117	2,529	12,646
33,912	–	33,912
2,537	71	2,608
6,194	–	6,194
4,018	16,072	20,090
–	5,328	5,328
5,358	–	5,358
16,026	–	16,026
–	3,207	3,207
<u>–</u>	<u>1,964</u>	<u>1,964</u>
<b><u>\$1,070,147</u></b>	<b><u>\$ 181,284</u></b>	<b><u>\$1,251,431</u></b>

**Iowa Association for the Education of Young Children  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2013**

<u>Federal grantor/pass-through grantor/description and identifying number</u>	<u>Federal CFDA number</u>	<u>Federal CFDA name</u>	<u>Federal expenditures</u>
<b>U.S. Department of Health and Human Services</b>			
<i>Passed through State of Iowa Department of Human Services</i>			
TEACH, DCFS 07-001	93.575	Childcare & Development Fund, Discretionary	\$ 400,000
<i>Passed through State of Iowa Department of Management, passed through Polk County</i>			
Early Childhood Iowa, T080081	93.575	Childcare & Development Fund, Discretionary	85,000
<i>Passed through State of Iowa Department of Management, passed through Black Hawk County</i>			
Early Childhood Iowa	93.575	Childcare & Development Fund, Discretionary	15,000
<i>Passed through State of Iowa Department of Education, 041810</i>			
	93.600	Health and Human Services-Head Start	4,978
<i>Passed through State of Iowa Department of Management, 90SC0050</i>			
	93.708	Health and Human Services-Head Start ARRA	103,139
<b>Office of Special Education and Rehabilitative Services, Department of Education</b>			
<i>Passed through State of Iowa Department of Education, 086210</i>			
	84.173	Special Education-Preschool Grants, Discretionary	<u>52,648</u>
Total expenditures of federal awards			<u>\$ 660,765</u>

**Iowa Association for the Education of Young Children**  
**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2013**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Iowa Association for the Education of Young Children and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**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**

Board of Directors  
Iowa Association for the Education of Young Children  
Des Moines, Iowa

We have audited, in accordance with the 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, the financial statements of Iowa Association for the Education of Young Children, which comprise the statements of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 4, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Association's internal control over financial reporting, internal control, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's 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 statements 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **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 Association'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 Association's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
DENMAN & COMPANY, LLP

West Des Moines, Iowa  
October 4, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Directors  
Iowa Association for the Education of Young Children  
Des Moines, Iowa

**Report on Compliance for Each Major Federal Program**

We have audited Iowa Association for the Education of Young Children's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Association's major federal program for the year ended June 30, 2013. The Association's major federal program is identified in the summary of independent auditor's results section of the accompanying schedule of findings.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Association's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Association's compliance.

**Opinion on Major Federal Program**

In our opinion, Iowa Association for the Education of Young Children complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
**DENMAN & COMPANY, LLP**

West Des Moines, Iowa  
October 4, 2013

**Iowa Association for the Education of Young Children  
SCHEDULE OF FINDINGS  
Year ended June 30, 2013**

**SECTION I—SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

- (a) An unmodified 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 noncompliance which is material to financial statements.

**Federal Awards**

- (d) No material weaknesses in internal control over the major program were disclosed by the audit of the financial statements.
- (e) An unmodified opinion was issued on compliance with requirements applicable to the major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section 510(a).
- (g) Major program was as follows:
  - CFDA #93.575 – Childcare & Development Fund, Discretionary, TEACH.
- (h) Dollar threshold used to distinguish between type A and type B programs was \$300,000.
- (i) The Association qualified as low-risk auditee.

**SECTION II—FINDINGS RELATED TO THE FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

None.

**SECTION III—FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.