

**COMMUNITY ACTION AGENCY OF SIOUXLAND
Independent Auditors' Report
Financial Statements
And
Supplemental Information
Schedule of Findings and Questioned Costs
September 30, 2005**

COMMUNITY ACTION AGENCY OF SIOUXLAND

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September 30, 2005

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COMMUNITY ACTION AGENCY OF SIOUXLAND
Board of Directors, Officers and Management

Officers

Susan Barta
Chris Jensen
Raymond Barron
Bob Padmore

Chairperson
Vice-Chairperson
Secretary
Treasurer

Board Members

<u>Area</u>	<u>Representing Private</u>	<u>Representing Government</u>	<u>Representing Low-Income</u>
Northeast Rural		Cheryl Spear	LaNette Dahill
Southwest Rural		Douglas Walish	Richard Patterson
Westside			Mary Alice Shores
Mid-City			Susan Barta
No. Morningside			Dick Pruehs
Sioux City At-Large			Tina Young
Head Start			Vacant
Community Development		Bob Padmore	
Employment		Gary Hopp	
Welfare		Chris Jensen	
Health		Jim Rouse	
Education		Richard Caldwell	
Business	Duane Benson		
Native American	Scott Barta		
Black	Lori Pierson		
Religion	Sister Shirley Waldschmitt		
Labor	Harlan Salvatori		
Hispanic	Raymond Barron		
Finance	Theresa Jackson		

Management

Jean Logan
Pat Mack
Vicky Hollingshead
Scot Orban
Caroline Gomez
Sandy Kluver
Sheila Cronin
Judy Dickinson
LaRae Lyons
Bonnie Petersen
Cindy Thomas

Patty Keeley
Joan O'Conner
Dennis Krause
Norma DeLaO

Executive Director
Development Director
Fiscal Officer
Human Resource Director
Executive Secretary
Accounting Clerk
Accounting Clerk
Accounting Clerk, Computer Supplies
Community Services Director
Assistant Community Services Director
Director, Child & Adult Care Food Program and
Senior AIDES Program
Director, Head Start Program
Director, Early Head Start Program
Director, Housing/Weatherization
Director, New Iowa Center



Terra Centre Suite 700
600 4th Street
Sioux City, IA 51101
Phone (712) 252-5337
Fax (712) 252-4855

Independent Auditors' Report

To the Board of Directors
Community Action Agency of Siouxland
Sioux City, IA

We have audited the accompanying statement of financial position of Community Action Agency of Siouxland as of September 30, 2005 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Community Action Agency of Siouxland's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. Those standards 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 that our audit provides 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 Community Action Agency of Siouxland as of September 30, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2006 on our consideration of Community Action Agency of Siouxland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purposes of forming an opinion on the basic financial statements of Community Action Agency of Siouxland taken as a whole. The supplemental information as listed in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying Non-GAAP supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Company P.C.

Certified Public Accountants

Sioux City, Iowa
January 11, 2006

COMMUNITY ACTION AGENCY OF SIOUXLAND

COMMUNITY ACTION AGENCY OF SIOUXLAND
Statement of Financial Position
September 30, 2005

<u>Assets</u>	<u>Current</u>	<u>Local Property and Equipment</u>	<u>Total</u>
Current Assets			
Cash	\$ 210,399		\$ 210,399
Receivables			
Grant Awards and Contracts - Note 5	315,504		315,504
Other	6,550		6,550
Notes Receivable - Note 6	395,377		395,377
Prepaid Expenses	13,665		13,665
Total Current Assets	941,495		941,495
Property and Equipment - Note 2			
Land		\$ 106,747	106,747
Building and Leasehold Improvements		637,154	637,154
Vehicles and Equipment		364,246	364,246
		1,108,147	1,108,147
Accumulated Depreciation		541,271	541,271
Net Property and Equipment		566,876	566,876
Total Assets	941,495	566,876	1,508,371
Liabilities, Deferred Revenue and Net Assets			
Liabilities and Deferred Revenue			
Accounts Payable	127,021		127,021
Payroll Taxes and Benefits Payable	77,365		77,365
Accrued Vacation	86,356		86,356
Notes Payable - Note 8	395,377	277,747	673,124
Deferred Revenue - Note 7	104,202		104,202
Total Liabilities and Deferred Revenue	790,321	277,747	1,068,068
Net Assets			
Unrestricted			
Invested in Property and Equipment		289,129	289,129
Designated for Programs	12,998		12,998
Undesignated	138,176		138,176
Total Net Assets	151,174	289,129	440,303
Total Liabilities, Deferred Revenue and Net Assets	\$ 941,495	\$ 566,876	\$ 1,508,371

See Accompanying Notes to Financial Statements

COMMUNITY ACTION AGENCY OF SIOUXLAND
Statement of Activities
For the Year Ended September 30, 2005

	Current	Local Property and Equipment	Total
Support and Revenue			
Government Funding Sources			
U.S. Department of HUD	\$ 123,198		\$ 123,198
U.S. Department of Labor	303,786		303,786
U.S. Department of Energy	172,407		172,407
U.S. Department of Health and Human Services	5,117,006		5,117,006
U.S. Department of Agriculture	750,475		750,475
Iowa Department of Education	173,438		173,438
FEMA	23,710		23,710
Iowa Workforce Development	315,472		315,472
In-Kind Contributions	4,881		4,881
Miscellaneous	881,597		881,597
Total Support and Revenue	7,865,970		7,865,970
Expenses			
Program Services			
Low Income Home Energy Assistance Program (LIHEAP)	1,337,047		1,337,047
Head Start	2,429,744		2,429,744
Early Head Start	823,926		823,926
Woodbury County Empowerment Contract (Bridges)	38,128		38,128
Weatherization Assistance Programs	783,004		783,004
Wrap Around Child Care Grants	168,618		168,618
Family Development and Self-Sufficiency Grant	148,842		148,842
Shared Vision Grants	210,630		210,630
Crossroads	121,960		121,960
I Care and Other Assistance	57,897		57,897
New Iowan Center and Migrant Workers	227,335		227,335
Iowa Workforce Development Programs	121,427		121,427
General Relief	171,912		171,912
Senior Service of America, Inc. Administration	19,551		19,551
Senior Service of America, Inc. Enrollees	346,475		346,475
Children & Adult Care Food Program	579,065		579,065
Transitional Housing	50,205		50,205
Family Development	12,841		12,841
Cost Allocation Pools - Net of Internal Reimbursements	(31,694)		(31,694)
Supporting Services			
Undesignated Fund Expenses	217,028		217,028
Interest Payment		\$ 19,830	19,830
Depreciation		65,132	65,132
Total Expenses	7,833,941	84,962	7,918,903
Excess (Deficiency) of Support and Revenue			
Over Expenses Before Capital Additions	32,029	(84,962)	(52,933)
Capital Activity			
Capital Additions - Purchase of Capital Equipment and Buildings		87,841	87,841
Excess of Support and Revenue			
Over Capital Activity and Other Revenue	32,029	2,879	34,908
Transfers			
Principal and Interest Payments on Note	(29,958)	29,958	
Net Assets - Beginning of Year	149,103	256,292	405,395
Net Assets - End of Year	\$ 151,174	\$ 289,129	\$ 440,303

See Accompanying Notes to Financial Statements

COMMUNITY ACTION AGENCY OF SIOUXLAND
Statement of Functional Expenses
For the Year Ended September 30, 2005

	<u>Program Services</u>	<u>Indirect Management and General</u>	<u>Total</u>
Expenses			
Personnel	\$ 2,741,953	\$ 406,774	\$ 3,148,727
Fringe Benefits and Payroll Taxes	895,261	132,929	1,028,190
Assistance to Individuals	2,386,110	-	2,386,110
Travel	73,864	8,463	82,327
Rent	144,559	22,207	166,766
Repairs and Maintenance	76,514	-	76,514
Weatherization Labor, Support and Administration	316,280	-	316,280
Utilities and Telephone	138,895	7,674	146,569
Supplies and Material	136,758	21,817	158,575
Equipment	90,041	-	90,041
Printing, Publications and Postage	27,752	3,877	31,629
Insurance	68,156	1,710	69,866
Depreciation	-	65,132	65,132
Interest	-	19,830	19,830
In-Kind	4,881	-	4,881
Miscellaneous	103,518	23,948	127,466
Indirect Costs	661,093	(661,093)	-
Total Expenses	<u><u>\$ 7,865,635</u></u>	<u><u>\$ 53,268</u></u>	<u><u>\$ 7,918,903</u></u>

See Accompanying Notes to Financial Statements

COMMUNITY ACTION AGENCY OF SIOUXLAND
Statement of Cash Flows
For the Year Ended September 30, 2005

Cash Flows from Operating Activities

Excess of Support and Revenue over Expenses After Capital Additions	\$ 34,908
Adjustments to Reconcile Excess of Support and Revenue over Expenses to Net Cash Provided (Used) by Operating Activities	
Expenses Not Requiring Cash Expenditures - Depreciation	65,132
Changes in Asset and Liability Accounts Affecting Cash	
Receivables	119,666
Prepaid Expenses	267
Accounts Payable and Liability to Funding Sources	(8,121)
Deferred Revenue	(112,803)
	(112,803)
Net Cash Flows From Operating Activities	99,049

Cash Flows from Investing Activities

Purchase of Property and Equipment	(87,842)
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Cash Flows from Financing Activities

Payments on Note Payable	(10,127)
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Net Increase in Cash	1,080
Cash Balances - Beginning of Year	209,319
Cash Balances - End of Year	\$ 210,399

See Accompanying Notes to Financial Statements

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – The Community Action Agency of Siouxland, a not-for-profit corporation, is a community action agency that serves primarily Woodbury County in Iowa. Community Action Agency of Siouxland is exempt from income tax under section 501(C)(3) of the Internal Revenue Code and a similar section of the Iowa income tax law which provide tax exemption for corporations organized and operated exclusively for religious, charitable or educational purposes.

Community Action Agency of Siouxland administers various programs funded by federal, state and local governmental bodies. Each program is accounted for as a separate fund.

Fund Accounting – The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, net assets, revenues and expenses. The various funds are summarized as follows in the financial statements:

Current Fund – The Current Fund represents funds derived from local sources such as donations, rents and miscellaneous activities. The Agency's overall management and administrative expenses are charged to this fund and then allowable indirect costs are allocated to the various programs which the Agency administers. The Current Fund is also used to account for the revenues and expenses that are contractually restricted by the funding source for specific purposes.

Local Property and Equipment Fund – The Local Property and Equipment Fund is used to accumulate the net investment in fixed assets and to account for the unexpended resources contributed specifically for the purpose of acquiring fixed assets for the Agency.

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 recognized when earned and expenses are recorded when the liability is incurred. Purchase of fixed assets providing future benefits are recorded as expenses in the program at the time of purchase and capitalized in the Local Property and Equipment fund.

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 the Agency and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are 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 stipulation or by law.

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Assets – The following accounting policies are followed in preparing the combined statement of financial position:

Cash and Cash Equivalents – The Agency considers demand deposits and all other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Several programs may share a common checking account and accordingly programs may utilize cash attributable to other programs on a short-term basis. The Agency accounts for this by netting the accounts on the combined statement of financial position.

Receivables from Grantor Agencies – Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Receivables from Grantor Agencies represent an excess of expenses over cash basis reimbursements at year end.

Receivables/Payables from Other Funds – During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transactions between funds had not been paid or received as of September 30, 2005, balances of interfund amounts receivable or payable have been recorded.

Property and Equipment – Property and equipment are valued at historical cost or estimated cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

Property and equipment purchased are recorded as expenses in the fund purchasing the asset. The purchases are then capitalized in the local property and equipment fund accumulating the net investment in fixed assets. Depreciation has been provided in the local property and equipment fund using the straight-line method over the estimated useful lives of the respective assets, generally 3 to 40 years. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value.

Expenses for maintenance, repairs and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed of is deleted. No interest costs were capitalized since there were no qualifying assets.

Deferred Revenue – Deferred revenue represents an excess of cash advances by the funding source over accrued expenses at year-end.

Accrued Vacation – Employees of the Agency accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities of the Current Fund. This liability has been computed based on rates of pay in effect at September 30, 2005.

In-Kind Contributions – The Agency recognizes donated labor, services, materials and rent-free usage of facilities and equipment as in-kind revenues at the time the services and materials are received. These in-kind contributions and the corresponding expense are valued at their estimated fair market value and recognized in the financial statements in accordance with GAAP requirements.

Cost Allocation – The Agency utilizes cost allocation methods to distribute certain direct and indirect costs to its various programs. Costs which are common to more than one program have been identified and classified into cost pools. These cost pools have been allocated to the programs based on formulas developed by the Agency for each pool.

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Total Column – The total column on the combined statement of financial position and the statement of activities is presented to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2 – PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the local property and equipment fund is as follows at September 30, 2005:

	Balance October 1, 2004	Additions	Retirements	Balance September 30, 2005
Land	\$ 106,747	_____	_____	\$ 106,747
Buildings	627,044	\$ 10,110		637,154
Office Furnishings & Equipment	60,046	65,972	\$ 1,213	124,805
Vehicles	245,301	11,759	17,619	239,441
	1,039,138	87,841	18,832	1,108,147
Less Accumulated Depreciation	494,972	65,131	\$(18,832)	541,271
Net	\$ 544,166	\$ 22,710	_____	\$ 566,876

NOTE 3 – PENSION AND RETIREMENT BENEFITS

Community Action Agency of Siouxland contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members contribute 3.70 percent of their annual salary and Community Action Agency of Siouxland is required to contribute 5.75 percent of annual covered payroll. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the years ended September 30, 2005, 2004 and 2003 were \$165,457, \$160,085, and \$145,166, respectively equal to the required contribution for each year.

NOTE 4 – PRINCIPAL PROGRAMS

The following is a description of the principal programs administered by the Agency:

Community Services Block Grant (CSBG) is funded by the U.S. Department of Health and Human Services. These funds are passed through the Iowa Department of Human Rights on an annual basis. The grant provides funding for the administration of human service programs or provides direct support to individual programs which require co-funding to complete their activities.

Head Start and Early Head Start is funded by the U.S. Department of Health and Human Services through an annual grant. Head Start and Early Head Start provides a comprehensive developmental program for children from birth through preschool, primarily all of whom come from low income families.

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 4 – PRINCIPAL PROGRAMS (CONTINUED)

Low Income Home Energy Assistance Program (LIHEAP) is funded by the U.S. Department of Health and Human Services. These funds are passed through the Iowa Department of Human Rights on an annual basis. The program provides assistance to low income households in paying their heating bills.

Weatherization Assistance Program is funded through grants from both the U.S. Department of Energy and the U.S. Department of Health and Human Services through the Iowa Department of Human Rights. Other funding is also received from local utility companies under varying contracts. The programs provide resources to weatherize the homes of qualifying low income households and to provide assistance for various utilities.

Wrap Around Child Care is funded by the U.S. Department of Health and Human Services. These funds are passed through the Iowa Department of Human Services under annual grants. Wrap Around Child Care is a program which serves children who are enrolled in core head start programs. Wrap Around Child Care provides basic care for enrolled children before and after the core head start program, including summers and other breaks in the core program schedule.

Transitional Housing is a program established to provide transitional housing and assistance to low income families. The ultimate goal is to assist and educate the families in becoming self-sufficient.

Senior Service of America, Inc. is funded by the U.S. Department of Labor. Funding is passed through annual grants from the Senior Service Center of America, Inc. The program provides employment activities for senior citizens.

Child and Adult Care Food Program is funded by the U.S. Department of Agriculture. These funds are passed through the Iowa Department of Education under annual contracts. The contracts provide assistance for food and nutritional needs of low income children enrolled in Head Start centers and day care homes.

Family Development and Self Sufficiency Grant is partially funded by U.S. Department of Health and Human Services and passed through to Iowa Department of Human Rights. The program provides family development and self-sufficiency counseling assistance to low income households.

Emergency Shelter/Homeless Services Program is funded by the U.S. Department of Housing and Urban Development and the City of Sioux City. These funds are passed through the Iowa Department of Economic Development under annual contracts. The program provides self-sufficiency development services to homeless persons.

Shared Visions – This program is funded by the Iowa Child Development Coordinating Council to develop and implement programs serving at-risk 3 and 4 year old children.

NOTE 5– RECEIVABLES

Receivables from grantor agencies resulting from program activities are summarized as follows:

<u>Funding Source and Program Activity</u>	September 30, <u>2005</u>
U.S. Department of Health and Human Services	
Head Start	\$ 99,204
Early Head Start	<u>28,776</u>
	<u>\$ 127,980</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 5- RECEIVABLES (CONTINUED)

	September 30, <u>2005</u>
Iowa Department of Education Child and Adult Care Food Program	\$ <u>45,485</u>
Iowa Department of Human Rights CSBG LIHEAP Weatherization Assistance Programs	<u>9,121</u> <u>5,027</u> <u>53,050</u> <u>67,198</u>
Iowa Department of Human Services Bridges – Temporary Assistance for Needy Families Wrap Around Child Care	<u>3,378</u> <u>7,238</u> <u>10,616</u>
U.S. Department of Labor Senior Service of America, Inc.	<u>11,294</u>
U.S. Department of Housing and Urban Development New Iowan Center Crossroads Transitional Housing	<u>12,416</u> <u>7,455</u> <u>3,238</u> <u>23,109</u>
Woodbury County Board of Supervisors: General Relief	<u>17,712</u>
Iowa Workforce Development	<u>12,110</u>
Total	\$ <u>315,504</u>

NOTE 6- NOTES RECEIVABLE FROM RELATED PARTIES

Promissory notes receivable (from related parties) as of September 30, 2005 are comprised of:

A \$80,000 promissory note receivable from Carnegie Place, L.P., Sioux City, Iowa, calling for annual payments \$2,034 commencing February 10, 2001 including interest at the per annum rate of 1 percent until February 10, 2050. The note is secured by a mortgage on certain residential real estate located in Sioux City, Iowa. The rights of Community Action Agency of Siouxland under this mortgage have been assigned to the City of Sioux City, Iowa as collateral for a promissory note payable in the same amount. \$ 80,000

A \$265,377 promissory note receivable from Carnegie Place, L.P., Sioux City, Iowa, calling for annual payment of \$5,000 commencing December 1, 1998 including interest at the per annum rate of 1 percent until December 31, 2017, when the entire principal and any unpaid interest become due and payable. The note is secured by a mortgage on certain residential real estate located in Sioux City, Iowa. The rights of Community Action Agency of Siouxland under this mortgage have been assigned to the Iowa Department of Economic Development as collateral for a promissory note payable in the same amount. \$ 265,377

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 6- NOTES RECEIVABLE FROM RELATED PARTIES (CONTINUED)

A \$50,000 promissory note receivable from Carnegie Place, L.P., Sioux City, Iowa, having no set terms of repayment. The note is secured by a mortgage on certain residential real estate located in Sioux City, Iowa. Any payments received by Community Action Agency of Siouxland under this mortgage must be returned to the Federal Home Loan Bank of Des Moines.

\$ 50,000

\$ 395,377

Payments on these notes receivable are contingent upon the maker having sufficient cash flow. If cash flow is insufficient to pay the annual payment, the unpaid amount accrues. Any subsequent surplus cash flow must be used to make up any prior deficiencies.

NOTE 7- DEFERRED REVENUES

A Summary of Grant/Contract advances follows:

	<u>ADVANCES</u>
LIHEAP	\$ 1,500
Crossroads	6,157
Family Development & Self Sufficiency	6,805
Child & Adult Care Food Program	4,500
New Iowan Center & Migrant Workers	11,214
Senior Service of America, Inc	787
Weatherization Assistance Grants	9,456
Shared Vision Grants	22,471
I Care and Other Assistance	26,232
Undesignated	14,839
Indirect Cost Allocation Pool	241
Total Deferred Revenue	\$ <u>104,202</u>

NOTE 8- NOTES PAYABLE

Notes payable consists of the following:

	<u>September 30, 2005</u>
Note to the City of Sioux City, 1% interest, \$2,034 annually beginning February 10, 2001 until February 10, 2015.	\$ 80,000
Note to Federal Home Loan Bank, Des Moines	50,000
Note to Iowa Department of Economic Development, 1% interest, \$5,000 due annually beginning December 31, 1998 and December 31, 2017	265,377
Note to I.L.L., Inc., 7.0% interest, due monthly beginning September 1, 2000 until September 1, 2010	<u>277,747</u>
	\$ <u>673,124</u>

The first three notes above financed Carnegie Place, a low income housing development. Funds were obtained by Community Action Agency of Siouxland and passed through to Carnegie Place, Limited Partnership. Community Action Agency of Siouxland is the primary obligor on the notes and repayment terms from Carnegie are the same terms as indicated in Note 6.

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 8- NOTES PAYABLE (CONTINUED)

Community Action Agency of Siouxland entered into a limited partnership agreement with Carnegie Place, Limited Partnership as of November 8, 1995. Community Action Agency of Siouxland and Community Housing Initiatives, Inc. are general partners each having a .5 percent capital ownership and profit-sharing interests and Carnegie Place, Limited Partnership and Housing Outreach, Limited Partnership, as limited partners having 99.5 percent of capital ownership and profit-sharing interests.

The note to Federal Home Loan Bank is a grant awarded for the Carnegie Place Apartments project through the Bank's Affordable Housing Program (AHP). Repayment is conditional upon the use of Carnegie Place Apartments for housing to elderly and low income individuals or families. Commencing upon the project's completion date, September 1997, there is a 30-year retention period after which, no obligation for repayment remains.

The note to I.L.L., Inc. relates to the purchase of the Isabelle Sloan School building located on South Helen Street in Sioux City, Iowa. The building is used mainly to house the Early Head Start Program. The repayment terms require equal monthly installments of \$2,496.46 for the first two years at a fixed interest rate of 7.0 percent. During the remaining eight years of the note, the monthly payments will be adjusted periodically to reflect any change in interest rates. The rate will equal the average yield on actively traded United States Treasury Securities plus 2.0 percent, not to exceed 9.0 percent, nor shall it be less than 7.0 percent average percentage rate. The remaining balance is due in full on September 1, 2010.

The future maturities of the note to I.L.L. for the next five years are as follows:

2006	\$ 10,859
2007	11,644
2008	12,486
2009	13,389
2010	14,357
Thereafter	<u>215,012</u>
	<u>\$ 277,747</u>

NOTE 9- LEASE OBLIGATIONS

The Agency leases various office equipment and administrative and program space under operating leases. The terms of the leases are primarily for one year or less, with the option for annual renewal with one lease expiring in July 2009. The total amount of rent expense reported under these leases for the current fiscal year was \$25,833.

The following are the remaining future minimum lease payments required:

2006	\$ 12,000
2007	12,000
2008	12,000
2009	10,000

COMMUNITY ACTION AGENCY OF SIOUXLAND
Notes to Financial Statements
September 30, 2005

NOTE 10- GROUP HEALTH INSURANCE

The Agency sponsors a partially self-insured group health insurance program on behalf of its employees and their dependents. Under the plan, the Agency pays for claims up to \$15,000 annually per individual with two employees whose limits have been increased to \$30,000 and \$75,000. In addition, there is an overall maximum of \$1,000,000. A contract with an insurance company is maintained to provide coverage in excess of the Agency's liability.

At September 30, 2005, management estimated the reserve for insurance claims to be \$165,568. The reserve represents individual case estimates for reported claims, estimates of expenses for investigating and settling claims, and estimates for incurred but not reported (IBNR) claims based on actual historical claims' costs for medical claims adjusted for current events.

NOTE 11- RISK MANAGEMENT AND CONTINGENCIES

Community Action Agency of Siouxland is exposed to various risks of loss related to torts; theft of, 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. The Agency assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

As a general partner in the Carnegie Place, L.P. limited partnership, Community Action Agency of Siouxland can be held jointly and severally liable, along with other general partners, for claims of creditors, recourse indebtedness, and litigation involving the partnerships.

In addition, the general partners have agreed to advance funds to the partnerships as needed to eliminate operating cash deficits. No advances are outstanding as of September 30, 2005.

NOTE 12- CONCENTRATION OF CREDIT RISK

Community Action Agency of Siouxland maintains its cash balances in two local area banks. The accounts are insured up to \$100,000 per each banking institution. At the end of the year the Agency had \$622,519 of cash deposits in banks, of which \$416,849 was over the insured limits. However, the banks with deposits in excess of the insured amounts have pledged securities they were holding as collateral for the deposits.

SUPPLEMENTAL INFORMATION

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Financial Position
September 30, 2005

	Designated Funds		
<u>Assets</u>	Total	CSBG	LIHEAP
Current Assets			
Cash	\$ 210,399	\$ (9,121)	\$ (2,043)
Receivables			
Grant Awards and Contracts	315,504	\$ 9,121	5,027
Other	6,550		
Notes Receivable	395,377		
Prepaid Expenses	13,665		
Total Current Assets	941,495	-	2,984
Property and Equipment			
Land	106,747		
Building and Leasehold Improvements	637,154		
Vehicles and Equipment	364,246		
	1,108,147	-	-
Accumulated Depreciation	541,271		
Net Property and Equipment	566,876	-	-
Total Assets	1,508,371	-	2,984
<u>Liabilities, Deferred Revenue and Net Assets</u>			
Liabilities and Deferred Revenue			
Accounts Payable	127,021		757
Payroll Taxes and Benefits Payable	77,365		727
Accrued Vacation	86,356		
Notes Payable	673,124		
Deferred Revenue	104,202		1,500
Total Liabilities and Deferred Revenue	1,068,068	-	2,984
Net Assets			
Unrestricted			
Invested in Property and Equipment	289,129		
Designated for Programs	12,998		
Undesignated	138,176		
Total Net Assets	440,303	-	-
Total Liabilities, Deferred Revenue and Net Assets	\$ 1,508,371	-	\$ 2,984

Designated Funds

Head Start	Early Head Start	Woodbury County Empowerment Contract	Weatherization Assistance Programs	Weatherization Assistance Administration	Wrap Around Child Care Grants
\$ (57,298)	\$ (18,478)	\$ (3,149)	\$ 10,674	\$ (50,048)	\$ (4,157)
99,204	28,776	3,378	376	53,050	7,238
1,123	936	76	1,079	3,002	378
<u>43,029</u>	<u>11,234</u>	<u>305</u>	<u>12,129</u>	<u>3,002</u>	<u>3,459</u>
24,600					
166,717	37,090				
39,741	180,312			28,413	
231,058	217,402	-	-	28,413	-
142,592	166,697			25,655	
88,466	50,705	-	-	2,758	-
<u>131,495</u>	<u>61,939</u>	<u>305</u>	<u>12,129</u>	<u>5,760</u>	<u>3,459</u>
25,908	4,994	82	275	3,000	571
17,121	6,240	223	2,400		2,888
			9,454	2	
<u>43,029</u>	<u>11,234</u>	<u>305</u>	<u>12,129</u>	<u>3,002</u>	<u>3,459</u>
88,466	50,705			2,758	
<u>88,466</u>	<u>50,705</u>	<u>-</u>	<u>-</u>	<u>2,758</u>	<u>-</u>
<u>\$ 131,495</u>	<u>\$ 61,939</u>	<u>\$ 305</u>	<u>\$ 12,129</u>	<u>\$ 5,760</u>	<u>\$ 3,459</u>

(Continued)

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Financial Position (Continued)
September 30, 2005

	Designated Funds			
	Family Development & Self Sufficiency (FaDSS)	Shared Vision Grants	Crossroads	I Care and Other Assistance
<u>Assets</u>				
Current Assets				
Cash	\$ 8,629	\$ 25,240	\$ (2,568)	\$ 26,616
Receivables				
Grant Awards and Contracts			7,455	
Other	23			1,053
Notes Receivable				
Prepaid Expenses	67	493	3,495	
Total Current Assets	<u>8,719</u>	<u>25,733</u>	<u>8,382</u>	<u>27,669</u>
Property and Equipment				
Land			1	
Building and Leasehold Improvements			25,274	
Vehicles and Equipment				
	-	-	25,275	-
Accumulated Depreciation			19,587	
Net Property and Equipment	-	-	<u>5,688</u>	-
Total Assets	<u>8,719</u>	<u>25,733</u>	<u>14,070</u>	<u>27,669</u>
<u>Liabilities, Deferred Revenue and Net Assets</u>				
Liabilities and Deferred Revenue				
Accounts Payable	370	2,123	825	1,437
Payroll Taxes and Benefits Payable	1,544	1,139	1,400	
Accrued Vacation				
Notes Payable				
Deferred Revenue	6,805	22,471	6,157	26,232
Total Liabilities and Deferred Revenue	<u>8,719</u>	<u>25,733</u>	<u>8,382</u>	<u>27,669</u>
Net Assets				
Unrestricted				
Invested in Property and Equipment			5,688	
Designated for Programs				
Undesignated				
Total Net Assets	<u>-</u>	<u>-</u>	<u>5,688</u>	<u>-</u>
Total Liabilities, Deferred Revenue and Net Assets	<u>\$ 8,719</u>	<u>\$ 25,733</u>	<u>\$ 14,070</u>	<u>\$ 27,669</u>

Designated Funds

New Iowan Center and Migrant Workers	Iowa Workforce Development Programs	General Relief	Senior Service of America, Inc.		Child & Adult Care Food Program
			Administration	Enrollees	
\$ (668)	\$ (6,194)	\$ (17,609)	\$ (77)	\$ (9,177)	\$ 2,171
12,416	12,110	17,712		11,294	45,485
35			302		
601	21		119	571	139
<u>12,384</u>	<u>5,937</u>	<u>103</u>	<u>344</u>	<u>2,688</u>	<u>47,795</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,384</u>	<u>5,937</u>	<u>103</u>	<u>344</u>	<u>2,688</u>	<u>47,795</u>
272	5,937	103	193	167	42,629
898			46	1,839	666
11,214			105	682	4,500
<u>12,384</u>	<u>5,937</u>	<u>103</u>	<u>344</u>	<u>2,688</u>	<u>47,795</u>
-	-	-	-	-	-
<u>\$ 12,384</u>	<u>\$ 5,937</u>	<u>\$ 103</u>	<u>\$ 344</u>	<u>\$ 2,688</u>	<u>\$ 47,795</u>

(Continued)

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Financial Position (Continued)
September 30, 2005

	Designated Funds				
	Traditional Housing	Family Development	Indirect Cost Allocation Pool	Property and Equipment	Undesignated
<u>Assets</u>					
Current Assets					
Cash	\$ 9,522	\$ (73)	\$ 72,942		\$ 235,265
Receivables					
Grant Awards and Contracts	3,238				
Other			1,080		3,681
Notes Receivable					395,377
Prepaid Expenses	532	242	1,680		2,113
Total Current Assets	<u>13,292</u>	<u>169</u>	<u>75,702</u>		<u>636,436</u>
Property and Equipment					
Land	3,146			\$ 79,000	
Building and Leasehold Improvements	75,202			332,871	
Vehicles and Equipment				115,780	
	<u>78,348</u>	-	-	<u>527,651</u>	-
Accumulated Depreciation	64,213			122,527	
Net Property and Equipment	<u>14,135</u>	-	-	<u>405,124</u>	-
Total Assets	<u>27,427</u>	<u>169</u>	<u>75,702</u>	<u>405,124</u>	<u>636,436</u>
<u>Liabilities, Deferred Revenue and Net Assets</u>					
Liabilities and Deferred Revenue					
Accounts Payable	121		36,154		1,103
Payroll Taxes and Benefits Payable	173	169	39,307		585
Accrued Vacation					86,356
Notes Payable				277,747	395,377
Deferred Revenue			241		14,839
Total Liabilities and Deferred Revenue	<u>294</u>	<u>169</u>	<u>75,702</u>	<u>277,747</u>	<u>498,260</u>
Net Assets					
Unrestricted					
Invested in Property and Equipment	14,135			127,377	
Designated for Programs	12,998				
Undesignated					138,176
Total Net Assets	<u>27,133</u>	<u>-</u>	<u>-</u>	<u>127,377</u>	<u>138,176</u>
Total Liabilities, Deferred Revenue and Net Assets	<u>\$ 27,427</u>	<u>\$ 169</u>	<u>\$ 75,702</u>	<u>\$ 405,124</u>	<u>\$ 636,436</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Activities
For the Year Ended September 30, 2005

	Total	Designated Funds		
		CSBG 04-17CP	CSBG 05-17CP	LIHEAP 05-18-R
Revenues				
Government Funding Sources				
U.S. Department of HUD	\$ 123,198			
U.S. Department of Labor	303,786			
U.S. Department of Energy	172,407			
U.S. Department of Health and Human Services	5,117,006	\$ 201,707	\$ 113,493	\$ 1,313,896
U.S. Department of Agriculture	750,475			
Iowa Department of Education	173,438			
FEMA	23,710			
Iowa Workforce Development	315,472			
In-Kind Contributions	4,881			
Miscellaneous	881,597			
CSBG Co-Funding	-	\$ (201,707)	\$ (113,493)	23,151
Total Support and Revenue	<u>7,865,970</u>	<u>-</u>	<u>-</u>	<u>1,337,047</u>
Expenses				
Personnel	3,148,727			80,764
Fringe Benefits and Payroll Taxes	1,028,190			31,367
Assistance to Individuals	2,386,110			1,199,088
Travel	82,327			666
Rent	166,766			1,575
Repairs and Maintenance	76,514			
Weatherization Labor, Support and Administration	316,280			
Utilities and Telephone	146,569			200
Supplies and Material	158,575			3,175
Equipment	90,041			
Printing, Publications and Postage	31,629			1,542
Insurance	69,866			694
Depreciation	65,132			
Interest	19,830			
In-Kind	4,881			
Miscellaneous	127,466			35
Indirect Costs	-			17,941
Total Expenses	<u>7,918,903</u>	<u>-</u>	<u>-</u>	<u>\$ 1,337,047</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	(52,933)	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings	<u>87,841</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue	34,908	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund and Retirements	-			
Interfund Transfers	-			
Net Assets - Beginning of Year	<u>405,395</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets - End of Year	<u>\$ 440,303</u>	<u>-</u>	<u>-</u>	<u>-</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2005

	Designated Funds			
	Weatherization Assistance Programs			
	DOE-04-18R	DOE-05-18R	HEAP-04-18R	HEAP-05-18R
Revenues				
Government Funding Sources				
U.S. Department of HUD				
U.S. Department of Labor				
U.S. Department of Energy	\$ 3,515	\$ 168,892		
U.S. Department of Health and Human Services			\$ 162,809	\$ 89,919
U.S. Department of Agriculture				
Iowa Department of Education				
FEMA				
Iowa Workforce Development				
In-Kind Contributions				
Miscellaneous				
CSBG Co-Funding				
Total Support and Revenue	<u>3,515</u>	<u>168,892</u>	<u>162,809</u>	<u>89,919</u>
Expenses				
Personnel				
Fringe Benefits and Payroll Taxes				
Assistance to Individuals	(1,849)	79,969	77,531	28,138
Travel				
Rent				
Repairs and Maintenance				
Weatherization Labor, Support and Administration	5,364	88,923	78,762	46,008
Utilities and Telephone				
Supplies and Material				
Equipment				800
Printing, Publications and Postage				
Insurance				14,973
Depreciation				
Interest				
In-Kind				
Miscellaneous			6,516	
Indirect Costs				
Total Expenses	<u>\$ 3,515</u>	<u>\$ 168,892</u>	<u>\$ 162,809</u>	<u>\$ 89,919</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	-	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings				
Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue	-	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund and Retirements				
Interfund Transfers				
Net Assets - Beginning of Year				
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

Weatherization Assistance Programs			Wrap Around Child Care Grants					
MEC-04-18R	MEC-05-18R	Administration	WRA 1-04	WRA 1-05	WRA 2-04	WRA 2-05	WRA 3-04	WRA 3-05
			\$ 45,703	\$ 2,561	\$ 45,504	\$ 2,183	\$ 45,591	\$ 2,379
			3,165	192	2,933	199	3,061	174
\$ 18,656	\$ 169,548	\$ 169,665						
			2,619	117	4,511	186	7,374	166
<u>18,656</u>	<u>169,548</u>	<u>169,665</u>	<u>51,487</u>	<u>2,870</u>	<u>52,948</u>	<u>2,568</u>	<u>56,026</u>	<u>2,719</u>
		95,432	29,955	1,872	29,438	1,529	34,334	1,674
		34,997	8,997	479	11,658	385	9,959	437
9,376	81,605		3,388	131	3,026	156	2,786	156
		6,937						
		3,371	1,200		600			
		215						
9,280	87,943							
		924	9		855	191	1,129	112
		1,682	980	10				
		507	40	2	28	1		2
		1,886	665		685		707	
		2,845			60			
		20,869	6,253	376	6,598	306	7,111	338
<u>\$ 18,656</u>	<u>\$ 169,548</u>	<u>\$ 169,665</u>	<u>\$ 51,487</u>	<u>\$ 2,870</u>	<u>\$ 52,948</u>	<u>\$ 2,568</u>	<u>\$ 56,026</u>	<u>\$ 2,719</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

(Continued)

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2005

Designated Funds

	Family Development & Self Sufficiency		Shared Vision Grants	
	FaDDS 05-18FR	FaDDS 06-18FR	04-05	05/06
Revenues				
Government Funding Sources				
U.S. Department of HUD				
U.S. Department of Labor				
U.S. Department of Energy				
U.S. Department of Health and Human Services	\$ 57,099	\$ 17,981		
U.S. Department of Agriculture			\$ 16,187	\$ 1,474
Iowa Department of Education			153,063	20,375
FEMA				
Iowa Workforce Development				
In-Kind Contributions				
Miscellaneous	50,635	15,946		
CSBG Co-Funding	2,641	4,540	16,285	3,246
Total Support and Revenue	<u>110,375</u>	<u>38,467</u>	<u>185,535</u>	<u>25,095</u>
Expenses				
Personnel	56,342	20,115	103,316	13,337
Fringe Benefits and Payroll Taxes	22,587	8,261	24,388	3,071
Assistance to Individuals			16,718	1,834
Travel	5,242	2,162	445	132
Rent	6,588	2,196	9,087	1,157
Repairs and Maintenance				
Weatherization Labor, Support and Administration				
Utilities and Telephone	1,905	492	773	236
Supplies and Material	2,679	401	3,197	1,132
Equipment				
Printing, Publications and Postage	747	190	146	32
Insurance	714		2,388	197
Depreciation				
Interest				
In-Kind				
Miscellaneous	942	110	2,234	10
Indirect Costs	12,629	4,540	22,843	3,957
Total Expenses	<u>\$ 110,375</u>	<u>\$ 38,467</u>	<u>\$ 185,535</u>	<u>\$ 25,095</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	-	-	-	-
Capital Activity				
Capital Additions - Purchase of Capital Equipment and Buildings				
Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue	-	-	-	-
Transfers				
Capital Activity Transferred to Property and Equipment Fund and Retirements				
Interfund Transfers				
Net Assets - Beginning of Year				
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

Crossroads 04-05	I Care and Other Assistance		New lowan Center and Migrant Workers	Iowa Workforce Development Programs	General Relief
04-05	03-04	04-05			
\$ 97,460					
		\$ 23,710			
			\$ 194,045	\$ 121,427	
24,500	\$ 1,249	32,938	20,468		\$ 141,912
			12,822		30,000
<u>121,960</u>	<u>1,249</u>	<u>56,648</u>	<u>227,335</u>	<u>121,427</u>	<u>171,912</u>
70,593			129,659		
25,551			43,971		
77	1,249	56,648	88		171,912
462			1,627		
916				30,791	
4,448			1,766	47,631	
2,859			165	20,572	
332			176	2,281	
1,069			1,347		
270			20,756	20,152	
15,383			27,780		
<u>\$ 121,960</u>	<u>\$ 1,249</u>	<u>\$ 56,648</u>	<u>\$ 227,335</u>	<u>\$ 121,427</u>	<u>\$ 171,912</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

(Continued)

COMMUNITY ACTION AGENCY OF SIOUXLAND
Combining Statement of Activities (Continued)
For the Year Ended September 30, 2005

	Designated Funds				Child & Adult Care Food Program
	Senior Service of America, Inc.				
	Administration		Enrollees		
	03-04	04-05	04-05	05-06	
Revenues					
Government Funding Sources					
U.S. Department of HUD					
U.S. Department of Labor			\$ 232,135	\$ 71,651	
U.S. Department of Energy					
U.S. Department of Health and Human Services					
U.S. Department of Agriculture					\$ 579,065
Iowa Department of Education					
FEMA					
Iowa Workforce Development					
In-Kind Contributions					
Miscellaneous	\$ 12,653	\$ 3,976			
CSBG Co-Funding	2,762	160	32,357	10,332	
Total Support and Revenue	<u>15,415</u>	<u>4,136</u>	<u>264,492</u>	<u>81,983</u>	<u>579,065</u>
Expenses					
Personnel	3,881	1,306	193,735	62,337	41,066
Fringe Benefits and Payroll Taxes	885	382	24,051	7,532	16,072
Assistance to Individuals					498,009
Travel	1,562	110	5,250	561	2,956
Rent	1,899	317			2,216
Repairs and Maintenance					
Weatherization Labor, Support and Administration					
Utilities and Telephone	374	124			363
Supplies and Material	644	175			5,604
Equipment					
Printing, Publications and Postage	1,223	445	(219)		2,511
Insurance	678				669
Depreciation					
Interest					
In-Kind					
Miscellaneous	317	1,007	6,829	374	457
Indirect Costs	3,952	270	34,846	11,179	9,142
Total Expenses	<u>\$ 15,415</u>	<u>\$ 4,136</u>	<u>\$ 264,492</u>	<u>\$ 81,983</u>	<u>\$ 579,065</u>
Excess (Deficiency) of Support and Revenue Over Expenses Before Capital Additions	-	-	-	-	-
Capital Activity					
Capital Additions - Purchase of Capital Equipment and Buildings					
Excess (Deficiency) of Support and Revenue Over Capital Activity and Other Revenue	-	-	-	-	-
Transfers					
Capital Activity Transferred to Property and Equipment Fund and Retirements					
Interfund Transfers					
Net Assets - Beginning of Year	-	-	-	-	-
Net Assets - End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Designated Funds

Transitional Housing 04-05	Family Development 04-05	Indirect Cost Allocation Pools	Property and Equipment	Undesignated
\$ 25,738				
3,579		\$ 306		\$ 213,968
23,977	\$ 12,841			
<u>53,294</u>	<u>12,841</u>	<u>306</u>	<u>-</u>	<u>213,968</u>
18,011	7,073	406,774		28,789
6,808	3,275	132,929		11,208
2,102	180	8,463		118
1,691		22,207		
10,064				17,545
4,754		7,674		43,882
227		21,817		10,224
				65,972
870		3,877		7,394
1,390	657	1,710		13,635
			\$ 65,132	
			19,830	
317		23,948		18,261
3,971	1,656	(661,093)		
<u>50,205</u>	<u>\$ 12,841</u>	<u>(31,694)</u>	<u>84,962</u>	<u>217,028</u>
3,089	-	32,000	(84,962)	(3,060)
				65,972
3,089	-	32,000	(84,962)	62,912
			117,799	(95,930)
		\$ (32,000)		32,000
9,909			256,292	139,194
<u>\$ 12,998</u>	<u>-</u>	<u>-</u>	<u>\$ 289,129</u>	<u>\$ 138,176</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2005

Federal Grantor / Pass-Through Grantor / Program Title	CFDA #	Grant Period	Federal Expenses
Direct Federal Awards			
U.S. Department of Health and Human Services			
Direct Program			
Head Start/Early Head Start	93.600	3/1/04 - 2/29/05	\$ 1,320,207
Head Start/Early Head Start	93.600	3/1/05 - 2/28/06	1,659,176
Indirect Federal Awards			
U.S. Department of Health and Human Services			
Passed Through Iowa Department of Human Rights			
Community Service Block Grant	93.569	10/1/04 - 12/31/04	201,707
Community Service Block Grant	93.569	10/1/04 - 9/30/05	113,493
Low Income Home Energy Assistance Program	93.568	10/1/04 - 9/30/05	1,313,896
Low Income Home Energy Assistance Program	93.568	4/1/04 - 3/31/05	162,809
Low Income Home Energy Assistance Program	93.568	4/1/05 - 3/31/06	89,919
Passed Through Woodbury County Empowerment Area			
Temporary Assistance to Needy Families	93.575	7/1/04 - 6/30/05	33,420
Temporary Assistance to Needy Families	93.575	7/1/05 - 6/30/06	3,378
Passed Through Iowa Department of Human Services			
Child Care and Development Block Grant	93.575	9/1/04 - 8/31/05	136,798
Child Care and Development Block Grant	93.575	9/1/05 - 8/31/06	7,123
Family Development and Self-Sufficiency Program	93.558	7/1/04 - 6/30/05	57,099
Family Development and Self-Sufficiency Program	93.558	7/1/05 - 6/30/06	17,981
Total U.S. Department of Health and Human Services			5,117,006
U.S. Department of Agriculture			
Passed Through Iowa Department of Education			
Child/Adult Care Food Program	10.558	10/1/04 - 9/30/05	579,065
Child/Adult Care Food Program	10.558	10/1/04 - 9/30/05	171,410
Total U.S. Department of Agriculture			750,475
U.S. Department of Labor			
Senior Service of America, Inc.			
Senior Community Service Employment Program	17.235	7/1/04 - 6/30/05	232,135
Senior Community Service Employment Program	17.235	7/1/05 - 6/30/06	71,651
Total U.S. Department of Labor			303,786
U.S. Department of Energy			
Passed Through Iowa Department of Human Rights			
Weatherization Assistance for Low-Income Persons	81.042	4/1/03 - 3/31/04	3,515
Weatherization Assistance for Low-Income Persons	81.042	4/1/04 - 3/31/05	168,892
Total U.S. Department of Energy			172,407
U.S. Department of Housing and Urban Development			
Continuum of Care Grant			
Continuum of Care Grant	14.231	10/1/04 - 9/30/05	97,460
Passed Through the Iowa Department of Economic Development and the City of Sioux City			
Emergency Shelter Grants Program	14.231	10/1/04 - 9/30/05	25,738
Total U.S. Department of Housing and Urban Development			123,198
Federal Emergency Management Agency			
Emergency Food and Shelter National Board Program			
Emergency Food and Shelter National Board Program	83.523	12/1/04 - 11/30/05	23,710
Total Expenditures of Federal Awards			\$ 6,490,582

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Action Agency of Siouxland 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.

NON-GAAP SUPPLEMENTAL INFORMATION

COMMUNITY ACTION AGENCY OF SIOUXLAND

COMMUNITY ACTION AGENCY OF SIOUXLAND
Iowa Department of Human Rights

Community Service Block Grant No. 04-18CR
Schedule of Grant/Contract Activity

For the Period From October 1, 2003 to September 30, 2004 (Extended to December 31, 2004)

	<u>Budget</u>	<u>Actual</u>
Co-Funded Programs		
Family Development and Self-Sufficiency	\$ 32,983	\$ 17,750
Housing	45,862	24,086
Head Start/Early Head Start	103,334	126,441
LIHEAP	13,000	23,257
Senior Aides	18,598	24,724
Shared Vision	11,400	11,154
Wrap Around	13,500	11,968
New Iowan Center	9,442	8,739
General Relief	<u>30,000</u>	<u>30,000</u>
 Total Expenditures	 <u>\$ 278,119</u>	 <u>\$ 278,119</u>

Community Action Agency of Siouxland
Iowa Department of Human Rights

Low Income Home Energy Assistance Program Contract LIHEAP-05-18-R
Schedule of Grant/Contract Activity
For the Period From October 1, 2004 to September 30, 2005

Cost Category	<u>Budget</u>	<u>Actual</u>
Expenses		
Regular Assistance	\$ 1,072,932	\$ 1,068,831
Energy Crisis Assistance	53,600	38,488
Emergency Delivery/Reconnect	17,079	16,269
Client Services	28,109	28,109
Summer Fuel Delivery	75,500	75,500
Administration	86,699	86,699
Total	<u>\$ 1,333,919</u>	<u>\$ 1,313,896</u>

Community Action Agency of Siouxland
Iowa Department of Human Rights

Head Start Grant No. 07CH 7018(32)
Schedule of Grant/Contract Activity
For the Period From March 1, 2004 to February 29, 2005

	Budget	Actual
Revenues		
Grant Revenue	\$ 2,217,930	\$ 2,217,930
Other Revenue		142,398
CSBG Support Revenue		112,008
Grantee's Contribution - In Kind	554,484	701,904
Total Revenue	2,772,414	3,174,240
Expenses - Grantor's Share		
P/A 22		
Salaries and Employee Benefits	1,489,735	1,618,440
Participant and Client Assistance	64,280	13,926
Travel	14,682	9,229
Rent	75,657	63,189
Repairs and Maintenance	2,700	6,400
Utilities and Telephone	22,642	24,614
Supplies and Materials	22,139	40,487
Printing, Publications and Postage	7,020	7,286
Insurance	12,011	12,041
Other	23,668	15,665
Indirect	42,152	43,352
Total P/A 22	1,776,686	1,854,629
P/A 22 Administrative		
Salaries and Employee Benefits	165,269	84,793
Travel	1,581	780
Rent	6,855	2,688
Utilities and Telephone	762	388
Supplies and Materials	200	189
Printing, Publications and Postage	780	224
Insurance	10	9
Other	850	1,055
Indirect	207,889	221,131
Total P/A 22 Administrative	384,196	311,257
P/A 20 T/TA		
Salaries and Employee Benefits	950	-
Travel	10,956	6,876
Supplies and Materials	4,321	5,080
Other	16,250	14,590
Total P/A 20 T/TA	32,477	26,546
P/A 26		
Salaries and Employee Benefits	20,799	19,458
Participant and Client Assistance	1,425	524
Travel	476	
Supplies and Materials	450	1,050
Printing, Publications and Postage		
Other	835	
Indirect	586	582
Total P/A 26	24,571	21,614
Total Grantor's Share	2,217,930	2,214,046
Expenses - CACFP		142,398
Expenses - CSBG Co-Funded (Indirect)		112,008
Expenses - Grantee's Share (In-Kind) - P/A 22	554,484	701,904
Total Expenses	\$ 2,772,414	\$ 3,170,356

Community Action Agency of Siouxland
Iowa Department of Human Rights

Early Head Start Grant No. 07CH 7018(32)
Schedule of Grant/Contract Activity
For the Period From March 1, 2004 to February 29, 2005

	Budget	Actual
Revenues		
Grant Revenue	\$ 776,412	\$ 776,412
Grantee's Contribution - In Kind	194,102	282,490
CSBG Support Revenue	-	27,549
Total Revenue	970,514	1,086,451
Expenses - Grantor's Share		
P/A 25		
Salaries and Employee Benefits	531,390	487,422
Participant and Client Assistance	10,074	15,525
Travel	10,719	10,475
Rent	19,296	30,666
Repairs and Maintenance	2,405	10,027
Utilities and Telephone	9,139	15,895
Supplies and Materials	685	5,167
Equipment	16,000	13,159
Printing, Publications and Postage	1,290	4,227
Insurance	10,125	12,071
Other		86
Indirect	24,969	21,366
Total P/A 25	636,092	626,086
P/A 25 Administrative		
Salaries and Employee Benefits	55,325	58,621
Travel	-	1,282
Rent	804	1,028
Utilities and Telephone	313	383
Supplies and Materials	260	70
Printing, Publications and Postage	100	33
Insurance	13	
Other		360
Indirect	63,101	62,708
Total P/A 25 Administrative	119,916	124,485
P/A 11 T/TA		
Travel	16,585	15,574
Tuition/Conference Registration	3,819	10,267
Total P/A 11 T/TA	20,404	25,841
Total Grantor's Share	776,412	776,412
Expenses - CSBG Co-Funded		27,549
Expenses - Grantee's Share (In-Kind) - P/A 25	194,102	282,490
Total Expenses	\$ 970,514	\$ 1,086,451

Community Action Agency of Siouxland
Iowa Department of Human Services

Wrap Around Child Care Grant

Schedule of Grant/Contract Activity

For the Period From September 1, 2004 to August 31, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Iowa Department of Human Services		
Personnel and Fringe Benefits	\$ 41,394	\$ 41,030
Facility Costs	1,200	1,320
Supplies and Materials	700	770
Net Food Costs	481	3,835
Transportation Costs	270	-
Indirect	<u>3,955</u>	<u>7,158</u>
Total	48,000	54,113
Less: CACFP		3,306
CSBG Co-Funded - Indirect		<u>2,807</u>
Total Expenses	<u>48,000</u>	<u>48,000</u>

Wrap Around Child Care Grant

Schedule of Grant/Contract Activity

For the Period From September 1, 2004 to August 31, 2005

Expenses		
Iowa Department of Human Services		
Personnel and Fringe Benefits	43,190	43,394
Facility Costs	600	660
Supplies and Materials	700	770
Net Food Costs	481	3,376
Transportation Costs	270	-
Indirect	<u>2,759</u>	<u>7,606</u>
Total	48,000	55,806
Less: CACFP		3,088
CSBG Co-Funded - Indirect		<u>4,718</u>
Total Expenses	<u>48,000</u>	<u>48,000</u>

Wrap Around Child Care Grant

Schedule of Grant/Contract Activity

For the Period From September 1, 2004 to August 31, 2005

Expenses		
Iowa Department of Human Services		
Personnel and Fringe Benefits	\$ 46,516	\$ 46,665
Supplies and Materials	300	330
Net Food Costs	481	3,755
Transportation Costs	270	-
Indirect	<u>433</u>	<u>8,184</u>
Total	48,000	58,934
Less: CACFP		3,226
CSBG Co-Funded - Indirect		<u>7,708</u>
Total Expenses	<u>\$ 48,000</u>	<u>\$ 48,000</u>

Community Action Agency of Siouxland
Iowa Department of Human Services

Woodbury Empowerment Contract
Extended Childcare - Bridges Grant 245E
Schedule of Grant/Contract Activity
For the Period From July 1, 2004 to June 30, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Iowa Department of Human Services		
Personnel and Fringe Benefits	\$ 28,776	\$ 28,446
Food and Snacks	720	773
Insurance	650	696
Rent	1,080	1,080
Supplies	1,000	1,023
Indirect Cost	4,316	4,524
Total	<u>\$ 36,542</u>	<u>\$ 36,542</u>

Community Action Agency of Siouxland
Iowa Department of Education

Child Development Shared Vision Grant WO-05-0497-122
Schedule of Grant/Contract Activity
For the Period From July 1, 2004 to June 30, 2005

	Budget	Actual
Expenses		
Iowa Department of Education		
Personnel and Fringe Benefits	\$ 47,956	\$ 47,665
Travel and Training	245	202
Purchased/Contract Services	923	153
Supplies	1,000	1,100
Other	6,201	5,547
Program Evaluation	571	601
Administrative Costs	232	1,860
	57,128	57,128
In-kind	11,426	52,418
Total Expenses	68,554	109,546

Child Development Shared Vision Grant WO-05-0495-123
Schedule of Grant/Contract Activity
For the Period From July 1, 2004 to June 30, 2005

Expenses		
Iowa Department of Education		
Personnel and Fringe Benefits	46,969	49,243
Travel and Training	350	103
Purchased/Contract Services	923	194
Supplies	1,000	834
Other	3,557	2,887
Program Evaluation	571	579
Administrative Costs	3,758	3,288
	57,128	57,128
In-kind	11,426	86,190
Total Expenses	68,554	143,318

Child Development Shared Vision Grant WO-05-0496-124
Schedule of Grant/Contract Activity
For the Period From July 1, 2004 to June 30, 2005

Expenses		
Iowa Department of Education		
Personnel and Fringe Benefits	45,130	45,822
Travel and Training	340	177
Purchased/Contract Services	923	120
Supplies	1,000	1,100
Other	6,272	6,538
Program Evaluation	571	571
Administrative Costs	2,892	2,800
	57,128	57,128
In-kind	11,426	48,089
Total Expenses	\$ 68,554	\$ 105,217

Community Action Agency of Siouxland
Iowa Department of Human Rights

Weatherization Assistance Programs
Contract DOE-04-18R
Schedule of Grant/Contract Activity
For the Period From April 1, 2004 to March 31, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Administration	\$ 20,751	\$ 18,518
Support	43,849	69,900
Health and Safety	33,827	38,611
Labor	45,728	31,489
Materials	<u>45,728</u>	<u>31,365</u>
Total Expenses	<u>189,883</u>	<u>189,883</u>

Weatherization Assistance Programs
Contract HEAP 04-18R
Schedule of Grant/Contract Activity
For the Period From April 1, 2004 to March 31, 2005

Expenses		
Administration	12,501	3,271
Support	55,853	51,564
Health and Safety	43,087	85,886
Labor	58,247	33,674
Materials	58,247	28,544
Polution Occurrence Insurance	12,481	12,481
Liability Insurance	1,741	1,741
Training/Equipment	<u>17,769</u>	<u>9,223</u>
Total Expenses	<u>259,926</u>	<u>226,384</u>

Weatherization Assistance Programs
Contract MEC-04-18R
Schedule of Grant/Contract Activity
For the Period From January 1, 2004 to December 31, 2004

Expenses		
Administration	6,795	4,546
Support	13,590	12,155
Labor	57,758	53,622
Materials	<u>57,757</u>	<u>65,577</u>
Total Expenses	<u>135,900</u>	<u>135,900</u>

Weatherization Assistance Programs
Contract AQU-04-18R
Schedule of Grant/Contract Activity
For the Period From January 1, 2004 to December 31, 2004

Expenses		
Administration	141	140
Support	286	286
Labor	1,721	1,322
Materials	<u>1,721</u>	<u>2,121</u>
Total Expenses	<u>\$ 3,869</u>	<u>\$ 3,869</u>

Community Action Agency of Siouxland
 Iowa Department of Human Rights
 Division of Community Action Agencies

Family Development and Self-Sufficiency Grant Contract FaDSS-05-18-FR
 Schedule of Grant/Contract Activity
 For the Period From July 1, 2004 to June 30, 2005

	Budget	Actual
Expenses		
Indirect Costs - Administrative	\$ 9,900	\$ 9,988
Indirect Costs - CSBG		6,621
Personnel Wages	74,100	74,966
Benefits	30,500	30,500
Travel	7,600	7,391
Space Costs/Utilities/Telephone	11,487	11,488
Supplies	2,826	3,608
Printing, Postage	250	220
Insurance	14	14
Other Costs	3,200	1,702
Total	139,877	146,498
Less: CSBG Co-funded		6,621
Total Expenses	\$ 139,877	\$ 139,877

Community Action Agency of Siouxland
U.S. Department of Housing and Urban Development

Emergency Food And Shelter Program
Schedule of Grant/Contract Activity
For the Period From December 1, 2003 to November 30, 2004

	<u>Budget</u>	<u>Actual</u>
Revenue		
FEMA Grant	<u>\$ 21,000</u>	<u>\$ 21,000</u>
Participant and Client Assistance	<u>\$ 21,000</u>	<u>\$ 21,000</u>

Emergency Shelter Grants Program Contract 04-ES-009
Schedule of Grant/Contract Activity
For the Period From October 1, 2004 to September 30, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Iowa Department of Economic Development and the City of Sioux City		
ESG Salaries and Benefits	\$ 8,344	\$ 10,469
ESG Fairmount Expenses	10,179	10,656
ESG South Helen Expenses	3,977	4,788
Salaries and Benefits		14,349
Travel		2,102
Space Costs/Utilities/Telephone		1,819
Other Costs		2,052
Indirect		3,971
	<u>22,500</u>	<u>50,206</u>
In-kind	<u>22,500</u>	<u>26,289</u>
Total Expenses	<u>\$ 45,000</u>	<u>\$ 76,495</u>

Community Action Agency of Siouxland
U.S. Department of Labor

Senior Service of America, Inc.
Senior Aides (Title V) Program - Project 77
Schedule of Grant/Contract Activity
For the Period From July 1, 2004 to June 30, 2005

	<u>Budget</u>	<u>Actual</u>
Expenses		
Personnel		
Wages and Employee Benefits	\$ 237,861	\$ 237,861
Fringe Benefits		
FICA	18,198	18,198
Workers' Compensation	7,713	7,733
Physical Exams	60	40
Program - Other		
Sponsor Staff Cost	13,505	13,492
Transportation		17
Training	5,180	5,233
Incidentals	6,120	6,064
Project Administration		
Sponsor Staff Cost	9,411	9,411
Other Admin Costs	1,000	999
	<u>\$ 299,048</u>	<u>\$ 299,048</u>
Total Federal Share		

M/SC

US DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility And Voluntary Exclusion – Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- 1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Community Action Agency of Siouxland _____
 Organization Name PR/Award Number or Project Name

David Radke CPA _____
 Name and Title of Authorized Representative

David Radke _____
 Signature Date 1-11-06

Community Action Agency of Siouxland
Schedule of Revenue and Expenses
Indirect Cost Allocation Pools
For the Year Ended September 30, 2005

	<u>Administration</u>	<u>Neighborhood Services</u>	<u>Total</u>
Revenue			
Reimbursed by Programs	\$ 504,769	\$ 156,324	\$ 661,093
Miscellaneous	-	306	306
Total Revenue	<u>504,769</u>	<u>156,630</u>	<u>661,399</u>
Expenses			
Personnel	307,337	99,437	406,774
Fringe Benefits and Payroll Taxes	93,371	39,558	132,929
Rent	12,778	9,429	22,207
Supplies	18,678	3,139	21,817
Travel	7,979	484	8,463
Telephone	6,236	1,438	7,674
Insurance	1,033	677	1,710
Audit and Legal	17,500		17,500
Photocopy/Postage	2,687	1,190	3,877
Misc	5,170	1,278	6,448
Total Expenses	<u>472,769</u>	<u>\$ 156,630</u>	<u>629,399</u>
Excess Revenues Over Expenditures	<u>\$ 32,000</u>	<u>-</u>	<u>\$ 32,000</u>

Community Action Agency of Siouxland
Schedule of Revenue and Expenses
Indirect Reimbursement from Programs
For the Year Ended September 30, 2005

Program	Wages and Fringe Benefits	Indirect Cost
Low Income Home Energy Assistance Program	\$ 112,131	\$ 17,941
Head Start - Wages and Benefits	1,717,268	
- Inkind Wages and Benefits	312,713	
Total	<u>2,029,981</u>	329,631
Early Head Start - Wages and Benefits	570,657	
- Inkind Wages and Benefits	148,749	
Total	<u>719,406</u>	114,976
Head Start Wrap Around Child Care Grant	130,717	20,982
Woodbury County Empowerment Contract	28,412	4,546
Weatherization Assistance	130,429	20,869
Crossroads	96,144	15,383
Child and Adult Care Food Program	57,137	9,142
Shared Visions - Wages and Benefits	144,112	
- Inkind Wages and Benefits	23,388	
Total	<u>167,500</u>	26,800
Family Development and Self-Sufficiency Grant - Wages and Benefits	107,305	17,169
Senior Service of America, Inc.	287,665	46,025
Senior Service of America, Inc. - Administration - Wages and Benefits	6,456	
- Administration - Inkind Wages and Benefits	19,932	
Total	<u>26,388</u>	4,222
New Iowan Center and Migrant Outreach	173,630	27,781
Transitional Housing - Wages and Benefits	24,819	3,971
Family Development	10,348	1,656
Totals	<u>\$ 4,102,012</u>	<u>661,093</u>
Total Wages and Benefits		4,102,012
Indirect Cost Percentage *		<u>19.9%</u>
Total Indirect Reimbursement Available for Programs		<u>\$ 816,299</u>

* The actual indirect rate for the year ended September 30, 2005 was 19.9%. The Agency used a rate of 16% for all programs for the year ended September 30, 2005.

OMB CIRCULAR A-133 COMPLIANCE SECTION

COMMUNITY ACTION AGENCY OF SIOUXLAND



Terra Centre Suite 700
600 4th Street
Sioux City, IA 51101
Phone (712) 252-5337
Fax (712) 252-4855

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Community Action Agency of Siouxland
Sioux City, Iowa

Compliance:

We have audited the compliance of Community Action Agency of Siouxland with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2005. Community Action Agency of Siouxland's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Action Agency of Siouxland's management. Our responsibility is to express an opinion on the Organizations' 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 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 Community Action Agency of Siouxland'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. Our audit does not provide a legal determination on the Organizations' compliance with those requirements.

In our opinion, Community Action Agency of Siouxland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2005.

Internal Control Over Compliance:

The management of Community Action Agency of Siouxland is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Community Action Agency of Siouxland's 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 weakness. 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 operations that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than these specified parties.

Williams & Company P.C.
Certified Public Accountants

Sioux City, Iowa
January 11, 2006



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Community Action Agency of Siouxland, Sioux City, Iowa

We have audited the financial statements of Community Action Agency of Siouxland as of and for the year ended September 30, 2005, and have issued our report thereon dated January 11, 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.

Compliance:

As part of obtaining reasonable assurance about whether Community Action Agency of Siouxland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Community Action Agency of Siouxland's 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 assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management, Department of Human Services, federal awarding agencies, and pass-through entities and is not intended to 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 Community Action Agency of Siouxland 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.

Willcom & Company P.C.
Certified Public Accountants

Sioux City, Iowa
January 11, 2006

COMMUNITY ACTION AGENCY OF SIOUXLAND
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2005

Section I --- Summary of Auditors' Results

- (a) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (b) No reportable conditions or material weaknesses in internal control over major programs 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 reportable conditions or material weaknesses in internal control over financial reporting were identified.
- (e) The audit disclosed no audit findings which are required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (f) Major programs were as follows:
CFDA Number 93.600 – Head Start
CFDA Number 17.235 – Senior Aides
CFDA Number 10.558 – Child and Adult Care Food Program
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) Community Action Agency of Siouxland does not qualify as a low-risk auditee.

Section II ---Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

COMMUNITY ACTION AGENCY OF SIOUXLAND
Schedule of Prior Year Audit Findings
For the Year Ended September 30, 2005

There were no audit findings in the prior year.