

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
Hiawatha, Iowa

FINANCIAL STATEMENTS
September 30, 2006

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Independent Auditor's Report

Board of Directors
Hawkeye Area Community Action Program, Inc.
Hiawatha, Iowa

We have audited the accompanying statement of financial position of Hawkeye Area Community Action Program, Inc. as of September 30, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Hawkeye Area Community Action Program, Inc. as of September 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information, 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 presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Cedar Rapids, Iowa
May 2, 2007

FINANCIAL STATEMENTS

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
STATEMENT OF FINANCIAL POSITION
September 30, 2006

ASSETS

CURRENT ASSETS

| | |
|-------------------------|---------------|
| Cash | \$ 3,122,808 |
| Certificates of deposit | 350,000 |
| Receivables: | |
| Grant or contract | 905,896 |
| Other | 92,542 |
| Prepaid expenses | 161,018 |
| Inventories | <u>54,713</u> |

Total current assets 4,686,977

INVESTMENTS

3,197

PROPERTY AND EQUIPMENT

| | |
|-------------------------------|------------------|
| Land and buildings | 9,526,212 |
| Equipment | <u>1,911,439</u> |
| Total | 11,437,651 |
| Less accumulated depreciation | <u>5,686,309</u> |

Net property and equipment 5,751,342

TOTAL ASSETS

\$ 10,441,516

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 1,229,821 |
| Due to funding sources | 96,391 |
| Deferred revenue | 416,172 |
| Other liabilities | 44,381 |
| Notes payable, current maturities | <u>119,280</u> |

Total current liabilities 1,906,045

NOTES PAYABLE, less current maturities above 2,721,711

Total liabilities 4,627,756

NET ASSETS

| | |
|------------------------|------------------|
| Unrestricted | 3,451,991 |
| Temporarily restricted | <u>2,361,769</u> |

Total net assets 5,813,760

TOTAL LIABILITIES AND NET ASSETS \$ 10,441,516

The accompanying notes are an integral part of the financial statements.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-----------------------------------|---------------------|
| REVENUE AND SUPPORT | | | | |
| Government grants, fees and support | \$ 17,915,289 | \$ 29,722 | \$ - | \$ 17,945,011 |
| United Way | 365,592 | 285,974 | - | 651,566 |
| Contributions and public support | 733,103 | 1,002,868 | - | 1,735,971 |
| Program income | 681,952 | - | - | 681,952 |
| Sales to public | 24,144 | - | - | 24,144 |
| Investment income | 71,957 | - | - | 71,957 |
| In-kind contributions | 4,121,886 | - | - | 4,121,886 |
| Net assets released from restrictions | <u>348,180</u> | <u>(348,180)</u> | <u>-</u> | <u>-</u> |
| Total revenue and support | <u>24,262,103</u> | <u>970,384</u> | <u>-</u> | <u>25,232,487</u> |
| EXPENSES | | | | |
| Program services: | | | | |
| Health and nutrition | 6,299,976 | - | - | 6,299,976 |
| Safe and affordable housing/energy | 8,567,305 | - | - | 8,567,305 |
| Early childhood | 7,087,543 | - | - | 7,087,543 |
| Employment and family preservation | 453,858 | - | - | 453,858 |
| Advocacy/information exchange | <u>251,949</u> | <u>-</u> | <u>-</u> | <u>251,949</u> |
| Total program services | <u>22,660,631</u> | <u>-</u> | <u>-</u> | <u>22,660,631</u> |
| Supporting activities: | | | | |
| Management and general | 1,267,880 | - | - | 1,267,880 |
| Fundraising | <u>223,745</u> | <u>-</u> | <u>-</u> | <u>223,745</u> |
| Total supporting activities | <u>1,491,625</u> | <u>-</u> | <u>-</u> | <u>1,491,625</u> |
| Total expenses | <u>24,152,256</u> | <u>-</u> | <u>-</u> | <u>24,152,256</u> |
| CHANGE IN NET ASSETS | <u>109,847</u> | <u>970,384</u> | <u>-</u> | <u>1,080,231</u> |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 3,453,691 | 300,791 | 57,436 | 3,811,918 |
| Prior period adjustments | <u>(111,547)</u> | <u>1,090,594</u> | <u>(57,436)</u> | <u>921,611</u> |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | <u>3,342,144</u> | <u>1,391,385</u> | <u>-</u> | <u>4,733,529</u> |
| NET ASSETS, END OF YEAR | <u>\$ 3,451,991</u> | <u>\$ 2,361,769</u> | <u>\$ -</u> | <u>\$ 5,813,760</u> |

The accompanying notes are an integral part of the financial statements.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2006

| | Program Services | | | |
|---|---------------------------------|--|--------------------------------|---|
| | <u>Health and Nutrition</u> | <u>Safe and Affordable Housing/ Energy</u> | <u>Early Childhood</u> | <u>Employment and Family Preservation</u> |
| Salaries and wages | \$ 887,046 | \$ 1,439,501 | \$ 3,777,818 | \$ 357,820 |
| Employee fringes | 227,376 | 369,150 | 968,728 | 45,021 |
| Payroll taxes | <u>79,194</u> | <u>126,948</u> | <u>345,373</u> | <u>29,149</u> |
| Total salaries, wages and related expenses | 1,193,616 | 1,935,599 | 5,091,919 | 431,990 |
| Contract services and fees | 506,980 | 1,340,634 | 727,983 | 5,200 |
| Training | 3,724 | 1,864 | 32,769 | - |
| Travel | 25,296 | 75,578 | 51,270 | 4,575 |
| Supplies and materials | 182,073 | 9,343 | 137,218 | 4,410 |
| Assistance to individuals | 458,061 | 4,313,401 | 64,073 | 4,591 |
| Occupancy | 86,413 | 432,705 | 368,525 | - |
| Printing | 251 | 1,172 | 4,356 | - |
| Equipment and repairs | 6,018 | 27,464 | 86,729 | 1,754 |
| Memberships | 3,269 | 60 | 1,492 | - |
| Telephone | 5,983 | 16,882 | 43,552 | 1,028 |
| Depreciation | 12,372 | 370,658 | 65,491 | - |
| Postage | 12,766 | 10,228 | 10,914 | 177 |
| Other direct costs | 9,918 | 31,717 | 67,202 | 133 |
| In-kind services and supplies | <u>3,793,236</u> | <u>-</u> | <u>334,050</u> | <u>-</u> |
| TOTAL EXPENSES | <u>\$ 6,299,976</u> | <u>\$ 8,567,305</u> | <u>\$ 7,087,543</u> | <u>\$ 453,858</u> |

Supporting Activities

| <u>Advocacy/ Information Exchange</u> | <u>Total Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total Supporting Activities</u> | <u>Total Expenses</u> |
|---|---------------------------------------|---------------------------------------|--------------------|--|---------------------------|
| \$ 160,607 | \$ 6,622,792 | \$ 623,954 | \$ 110,110 | \$ 734,064 | \$ 7,356,856 |
| 41,275 | 1,651,550 | 159,864 | 28,211 | 188,075 | 1,839,625 |
| 14,687 | 595,351 | 56,090 | 9,898 | 65,988 | 661,339 |
| 216,569 | 8,869,693 | 839,908 | 148,219 | 988,127 | 9,857,820 |
| - | 2,580,797 | 78,107 | 13,784 | 91,891 | 2,672,688 |
| 366 | 38,723 | 7,945 | 1,402 | 9,347 | 48,070 |
| 616 | 157,335 | 11,081 | 1,955 | 13,036 | 170,371 |
| 567 | 333,611 | 9,269 | 1,636 | 10,905 | 344,516 |
| 28,572 | 4,868,698 | - | - | - | 4,868,698 |
| 2,969 | 890,612 | 46,896 | 8,276 | 55,172 | 945,784 |
| - | 5,779 | 1,046 | 185 | 1,231 | 7,010 |
| 897 | 122,862 | 25,814 | 4,555 | 30,369 | 153,231 |
| - | 4,821 | 10,810 | 1,908 | 12,718 | 17,539 |
| 172 | 67,617 | 20,746 | 3,661 | 24,407 | 92,024 |
| - | 448,521 | 93,331 | 16,470 | 109,801 | 558,322 |
| 1,045 | 35,130 | 6,979 | 1,232 | 8,211 | 43,341 |
| 176 | 109,146 | 115,949 | 20,462 | 136,410 | 245,556 |
| - | 4,127,286 | - | - | - | 4,127,286 |
| <u>\$ 251,949</u> | <u>\$ 22,660,631</u> | <u>\$ 1,267,880</u> | <u>\$ 223,745</u> | <u>\$ 1,491,625</u> | <u>\$ 24,152,256</u> |

The accompanying notes are an integral part of the financial statements.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
STATEMENT OF CASH FLOWS
Year Ended September 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Change in net assets | \$ 1,080,231 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 558,322 |
| Discount on below market interest rate loans | 13,087 |
| Unrealized gain on investments | (1,167) |
| Effects of changes in operating assets and liabilities: | |
| Receivables | (7,884) |
| Prepaid expenses | (112,088) |
| Inventories | 3,061 |
| Accounts payable and accrued expenses | 145,106 |
| Due to funding sources | 23,124 |
| Deferred revenue | 199,767 |
| Other liabilities | <u>1,651</u> |
| Net cash provided by operating activities | <u>1,903,210</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|------------------|
| Purchases of property and equipment | (270,511) |
| Purchases of certificates of deposit | (250,000) |
| Proceeds from sale or maturity of certificates of deposit | <u>30,972</u> |
| Net cash used in investing activities | <u>(489,539)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|---------------------------|------------------|
| Payments on notes payable | <u>(115,315)</u> |
|---------------------------|------------------|

NET INCREASE IN CASH AND CASH EQUIVALENTS 1,298,356

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 1,824,452

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 3,122,808

The accompanying notes are an integral part of the financial statements.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hawkeye Area Community Action Program, Inc. (HACAP) was incorporated in 1965 under the laws of the state of Iowa and is defined as a community action agency in accordance with Iowa House File 2437 under the 69th General Assembly.

HACAP serves the Iowa counties of Benton, Iowa, Johnson, Jones, Linn and Washington.

HACAP's purpose is to promote economic and emotional strength toward a goal of self-sufficiency for people living in poverty.

HACAP operates programs, which administer and deliver social services for needy citizens in east central Iowa. Funding and support is generally provided through contracts with federal, state and local government agencies and through additional local community support. These programs are operated for the benefit of eligible participants as defined under guidelines issued by the respective granting agencies.

HACAP's fiscal year ends on September 30. Significant accounting policies followed by HACAP are presented below:

Use of Estimates in Preparing Financial Statements

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Net Assets

Net assets are based on the existence or absence of donor-imposed restrictions. The following is a description of each class:

Unrestricted net assets includes all net assets which are neither temporarily or permanently restricted.

Temporarily restricted net assets includes contributed net assets for which donor imposed time and purpose restrictions have not been met and the ultimate purpose of the contribution is not permanently restricted.

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

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs

The Organization operates the following programs:

Health and Nutrition

Services include:

- Channeling donated food to various community outlets that feed the needy
- Reimbursing registered home family day care providers for providing USDA approved meals and snacks to children in their care
- Providing prenatal and nutritional education and social assessment for pregnant women
- Providing assessment and outreach for low-cost or no-cost health insurance
- Providing well child care for children from birth through 21 years of age
- Administering the USDA funded Supplemental Nutrition Program for Women, Infants, and Children (WIC)
- Providing oral health education and screening for children from birth up to age 21
- Providing nutritious meals and snacks that meet daily nutritional requirements for children and seniors

Safe and Affordable Housing/Energy

Services include:

- Providing energy efficiency education, budget counseling and incentives for qualified households
- Providing energy crisis and bill payment assistance to elderly, disabled and low-income households
- Managing a number of apartments and single-family dwellings for low-income families with children that provide them with safe and stable housing
- Stabilizing the chronically homeless through safe housing, needs assessment, and creating action plans for returning to society
- Providing transitional housing for the homeless in four counties
- Weatherization assistance program to reduce personal utility costs by improving the housing stock of low-income individuals and families

Early Childhood

Services include:

- Connecting parents in need of child care with local providers and assistance to those providers
- Providing safe shelter for children during times of family crisis
- Head Start and Early Head Start programs to provide comprehensive child development for children from birth to age five, pregnant women, and their families.
- Strengthening the quality and expanding the availability of child care for families with infants and toddlers
- Providing opportunities for parents to strengthen parenting skills

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Programs (continued)

Employment and Family Preservation

Services include:

- Working with seniors interested in retooling their job skills and training in order to foster their economic self-sufficiency
- Healthy marriage initiative

Advocacy/Information Exchange

Services include:

- Temporary assistance to homeless children by providing funds for emergency childcare, health care, protective clothing, and educational supplies or special events
- Providing meals, medical information, medical equipment loans and some property maintenance services for the elderly
- Operating the United Way of East Central Iowa "First Call For Help" call center to direct those in need to available community resources

Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Amounts received which are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are recorded as receivables and as support when received. Conditional contributions are not recorded until all conditions have been satisfied, at which time they are recognized as support. Advances received on conditional contributions are recorded as refundable advances (in deferred revenue) until all conditions have been satisfied.

Fees received in advance of services performed are recorded as deferred revenue.

The Organization receives contributions of donated services from unpaid volunteers. No amounts have been recognized in the statement of activities because the criteria for revenue recognition under Statement of Financial Accounting Standards (SFAS) No. 116 have not been satisfied.

Contributed goods, property and equipment are recorded at estimated fair value at the date of gift. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of goods, property and equipment are recorded as unrestricted support.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Support and Revenue (continued)

Food donations and WIC food vouchers are received primarily from the U.S. Department of Agriculture, Second Harvest, national donors, local food processors, retailers, and wholesalers and are in turn distributed to local organizations such as food pantries or other food distribution sites. These food distributions are recorded at estimated fair values and are reflected in applicable programs as revenue and expense.

Program service revenues are generally recorded when earned; however, under certain activities, amounts billed are not recorded until funds are received.

The Organization accounts for grants as exchange transactions and recognizes grant revenue upon fulfillment of requirements detailed in the grant documents.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization includes all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with an original maturity of three months or less as cash and cash equivalents.

Receivables

Receivables are comprised primarily of grant awards or contract reimbursements. Receivables are recorded when program expenses exceed contract reimbursements to date.

The Organization considers all amounts collectible and, accordingly, no provision for bad debts has been recorded. Receivables billed for services under certain programs are not recognized until the funds are collected.

Inventories

Weatherization inventories are valued at the lower of cost or market. Cost is determined primarily on the first-in, first-out basis or on the average cost basis.

Food inventories are recorded at average cost or their estimated fair market values.

Investments

Investments are carried at fair value, determined by quoted market prices, and the net appreciation or depreciation in fair value of investments is reported as an increase or decrease in unrestricted net assets. Interest and dividends are recorded as income when earned. Investment income is also reported in the statement of activities as unrestricted revenue.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment is recorded at cost. Property donated to the Organization is recorded at estimated fair market value on the date received. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, which range from three to forty years.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Advertising and Promotion Activities

Advertising and promotion costs are expensed as incurred.

Cost Allocations

The Organization charges indirect costs to an indirect cost pool within its undesignated fund accounts. These costs are distributed to individual programs on the basis of an indirect cost rate approved by the U.S. Department of Health and Human Services. The rate is applied to each program's direct wages as a basis for allocation. Employee fringe benefit and vacation (paid release) expenses are also allocated to programs based upon predetermined rates established from approved cost allocation plans.

The Organization allocated other expenses on a functional basis among its various programs and support activities. Expenses that can be identified with a specific program and support activity are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated on the basis of usage or occupancy records or other methods that represent the estimation of benefits received.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar sections of State income tax law, which provides income tax exemption for corporations organized and operated exclusively for religious, charitable, or educational purposes. The Organization is not classified as a private foundation for income tax reporting purposes.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 2 - PRIOR PERIOD ADJUSTMENTS

Misstatements of previously reported receivables from United Way, Greater Cedar Rapids Community Foundation (GCRCF) donor-designated funds, below-market interest rate loans, forgivable loans, and restrictions on contributions of long-lived assets were discovered during the current year. Correction of these misstatements resulted in a net increase of previously reported net assets at September 30, 2005 of \$921,611. The 2006 beginning net assets have been restated to reflect the following corrections:

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|---------------------------|-----------------------------------|-----------------------------------|---------------------------|
| Net assets, beginning of year, as previously stated | <u>\$3,453,691</u> | <u>\$ 300,791</u> | <u>\$ 57,436</u> | <u>\$3,811,918</u> |
| Prior period adjustments: | | | | |
| United Way promises to give, for period October 1, 2005 - December 31, 2005, not recognized as receivable at September 30, 2005 | - | 222,426 | - | 222,426 |
| GCRCF donor-designated funds, recorded as an asset at September 30, 2005, but not an asset of HACAP | - | (21,763) | (57,436) | (79,199) |
| Below-market rate interest loans not recorded at fair value and contribution element not recognized at September 30, 2005 | - | 253,378 | - | 253,378 |
| Forgivable loans (considered to be contingent liabilities with likelihood of loss not probable) not recognized as contributions | 26,477 | 498,529 | - | 525,006 |
| Contributions of long-lived assets with liens attached, not recognized as temporarily restricted support | <u>(138,024)</u> | <u>138,024</u> | <u>-</u> | <u>-</u> |
| Total prior period adjustments | <u>(111,547)</u> | <u>1,090,594</u> | <u>(57,436)</u> | <u>921,611</u> |
| Net assets, beginning of year, as restated | <u><u>\$3,342,144</u></u> | <u><u>\$1,391,385</u></u> | <u><u>\$ -</u></u> | <u><u>\$4,733,529</u></u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows:

| | |
|-------------------------------------|------------------------|
| Land, buildings, and rehabilitation | \$5,831,290 |
| Transitional housing properties | 3,694,922 |
| Furnishings and office equipment | 1,421,920 |
| Grantor's program equipment | <u>489,519</u> |
| | 11,437,651 |
| Less accumulated depreciation | <u>5,686,309</u> |
| Net property and equipment | <u>\$5,751,342</u> |

The grantor's program equipment acquired primarily under various grants with federal, state, or local governmental entities may revert back to these funding sources in the event such programs terminate or the use of the property changes from its original purpose.

Transitional housing projects receiving assistance under U.S. Department of Housing and Urban Development (HUD) grants for the purchase, lease, or renovation of the property must be operated to assist the homeless for predetermined affordability period. HACAP would be required to repay all or a portion of such assistance if the projects are used for a period less than that prescribed. If the project were used to assist the homeless for more than the prescribed affordability period, HACAP would not be required to repay any part of the grants.

In addition, any proceeds from disposal of such properties must be expended with grantor approval.

Depreciation expense for the year totaled \$558,322.

NOTE 4 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are summarized as follows:

| | |
|---|------------------------|
| Accounts payable | \$ 312,856 |
| Accrued wages | 338,570 |
| Payroll taxes and fringes | 119,136 |
| Accrued paid release (compensated absences) | <u>459,259</u> |
| Total accounts payable and accrued expenses | <u>\$1,229,821</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 5 - DUE TO FUNDING SOURCES

Amounts due to funding sources represent funds or advances to be returned to the grantors upon close out of the respective grants.

| <u>Due To</u> | <u>Program</u> | <u>Amount</u> |
|----------------------------------|----------------|------------------|
| Iowa Department of Public Health | WIC | \$ 57,433 |
| Iowa Department of Human Rights | LIHEAP | <u>38,958</u> |
| Total due to funding sources | | <u>\$ 96,391</u> |

NOTE 6 - OTHER LIABILITIES

Other liabilities are summarized as follows:

| | |
|------------------------------|------------------|
| Residents' security deposits | <u>\$ 44,381</u> |
|------------------------------|------------------|

NOTE 7 - DEBT

Long-term debt

Revenue bond issued by City of Hiawatha, Iowa, payable to U.S. Bank, requiring monthly installments of \$15,186, including interest at 5.75%. The interest rate is fixed until July 2010, at which time it will change to a new rate for the final 10 years. Final payment is due in June 2020, and the note is secured by the Cedar Rapids corporate office building and land and all business assets.

\$1,685,101

Revenue bond issued by City of Coralville, Iowa, payable to U.S. Bank, requiring monthly installments of \$3,825, including interest at 5.5%. The interest rate is fixed until April 2011, at which time it will change to a new rate for the final 10 years. Final payment is due in April 2021, secured by the 10th Street, Coralville building and land.

452,251

Note payable to City of Iowa City, requiring monthly installments of \$356, including interest at 0%. Final payment is due in January 2034, secured by two Iowa City residential properties. The note is recorded net of imputed interest calculated using an interest rate of 5%. At September 30, 2006, the principal balance of this note, net of imputed interest, was \$63,424. The discount for imputed interest is being amortized based on the maturity date of the note in 2034. The unamortized discount totals \$52,843 at September 30, 2006.

63,424

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 7 - DEBT (CONTINUED)

Long-term debt (continued)

Note payable to City of Iowa City, requiring monthly installments of \$411, including interest at 0%. Final payment is due in June 2035, secured by two Iowa City residential properties. The note is recorded net of imputed interest calculated using an interest rate of 5%. At September 30, 2006, the principal balance of this note, net of imputed interest, was \$75,161. The discount for imputed interest is being amortized based on the maturity date of the note in 2035. The unamortized discount totals \$66,672 at September 30, 2006.

75,161

Note payable to City of Iowa City, requiring monthly installments of \$635, including interest at 0%. Final payment is due in June 2036, secured by one Iowa City residential property. The note is recorded net of imputed interest calculated using an interest rate of 6%. At September 30, 2006, the principal balance of this note, net of imputed interest, was \$107,724. The discount for imputed interest is being amortized based on the maturity date of the note in 2036. The unamortized discount totals \$120,776 at September 30, 2006.

107,724

Note payable to City of Iowa City, requiring monthly installments of \$2,431, including interest at 5.5%. Final balloon payment is due in October 2008, secured by two Iowa City residential properties.

455,706

Note payable to City of Cedar Rapids, requiring monthly installments of \$49, including interest at 0%. Final payment is due in June 2009, secured by one Cedar Rapids residential property.

1,624

Total 2,840,991
Less current portion 119,280

Long-term portion \$2,721,711

Future maturities of long-term debt are as follows:

| | |
|--------------|---------------------------|
| 2007 | \$ 119,280 |
| 2008 | 123,904 |
| 2009 | 573,261 |
| 2010 | 133,144 |
| 2011 | 140,922 |
| Thereafter | <u>1,750,480</u> |
| Total | <u>\$2,840,991</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 7 - DEBT (CONTINUED)

The mortgage notes payable contain various affirmative and negative covenants, including specific requirements as follows: maintain clear title free of all liens; payment of real estate taxes; maintain adequate insurance coverage; and submission of periodic financial statements.

NOTE 8 - NATURE AND AMOUNTS OF TEMPORARY RESTRICTIONS

Temporarily restricted net assets are available for the following purposes or time periods:

| | |
|---|---------------------------|
| Local child care operations - parent fund and site reserves | \$ 22,468 |
| Weatherization - inventory/working capital reserve | 44,265 |
| Homeless child trust fund | 25,326 |
| Food reservoir - inventory/special use reserves | 49,701 |
| Financial assistance network | 36,929 |
| Benton County local operations | 6,500 |
| Inn Circle local operations | 11,703 |
| Johnson County local operations | 800 |
| Washington County local operations | 7,121 |
| GCRCF-Affordable housing | 1,370 |
| Johnson County emergency management | 2,304 |
| Quality childcare initiative | 12,611 |
| Chronically homeless | 1,713 |
| Alliant home town care | 353,488 |
| MidAmerican assistance | 641,322 |
| Child, Maternal, Dental health | 13,095 |
| United Way allocations - for future periods | 285,974 |
| Subsequent years facility usage, below-market interest rate loans | 240,291 |
| Subsequent years facility usage, forgivable loan properties | 478,942 |
| Subsequent years facility usage, other properties with liens | <u>125,846</u> |
| Total | <u>\$2,361,769</u> |

NOTE 9 - CASH FLOW DISCLOSURES

Cash paid for interest for the year ended September 30, 2006 was \$146,214.

NOTE 10 - CONDITIONAL PROMISES TO GIVE

The following conditional promises to give were not recognized as assets in the statement of financial position:

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 10 - CONDITIONAL PROMISES TO GIVE (CONTINUED)

The Organization has been awarded various cost reimbursement grants totaling \$13,820,432. The budget periods for the grants run throughout 2007. Grant funds are not recognized as revenue until the reimbursements become due. The remaining balance of available grant funds at September 30, 2006 is \$5,344,093.

The Organization has been awarded a promise to give from United Way, conditioned upon attainment of United Way's campaign goal. The monthly allocations conditionally promised for January 2006 to June 2007 totaled \$192,039.

NOTE 11 - BENEFICIARY OF DESIGNATED FUNDS AT COMMUNITY FOUNDATION

Designated funds for the benefit of HACAP have been established by donors with The Greater Cedar Rapids Community Foundation. In establishing a designated fund, donors select a specific nonprofit institution as the recipient, and grants are made to it annually as long as the named institution remains in existence and continues to fulfill its intended purpose. The balance of these designated funds at September 30, 2006 was approximately \$80,000. For the year ended September 30, 2006, the Organization received \$5,566 in distributions from this fund. Only the distributions received by the Organization from these designated funds at The Greater Cedar Rapids Community Foundation are included in the accompanying financial statements.

NOTE 12 - OBLIGATIONS UNDER OPERATING LEASES

At September 30, 2006, the Organization leased various field offices, warehouse and storage facilities, community centers, vehicles, and office equipment. These leases generally are written over a one-year to five-year period and the Organization expects to renew or replace most leases at their expiration. Lease expense for the year ended September 30, 2006 totaled \$279,759.

The following is a summary of minimum lease payments required under these agreements:

| | |
|--------------|--------------------------|
| 2007 | \$ 225,354 |
| 2008 | 128,585 |
| 2009 | 109,824 |
| 2010 | 101,468 |
| 2011 | <u>10,200</u> |
| Total | <u>\$ 575,431</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The Organization has contracted with various contractors for projects in the weatherization program. As of September 30, 2006, the contracts totaled \$180,961 and costs incurred under these contracts totaled \$71,437, leaving remaining contractual obligations of \$109,524.

In consideration of various grant funds or forgivable loans received from the Cities of Iowa City and Cedar Rapids for property improvements, liens in the amount of \$682,340 have been established in favor of the Cities as lien holder upon various properties. Repayment of all or a pro-rated portion of the lien amount is required if the Organization does not continue to own and operate the properties to provide low-income housing at the property enhanced with the funding. The liens expire at various times through November 2060.

The Organization is involved in various legal proceedings arising in the normal course of business. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the Organization's financial statements.

NOTE 14 - RETIREMENT PLANS

The Organization participates in defined contribution retirement plans, which cover all permanent employees.

The Organization contributes to tax deferred annuity 403(b) plans. The plans purchased annuity contracts from Variable Annuity Life Insurance Company (VALIC) and Equitable Life Insurance Company on behalf of its participating employees. The Organization contributed \$201,642 and its employees contributed \$180,706 to the 403(b) plans during the year.

The Organization also 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.

Participating employees are required to contribute 3.70% of their annual covered salary and HACAP is required to contribute 5.75% of annual covered payroll. Contribution requirements to IPERS are established by state statute. The Organization's contribution to IPERS for the year ended September 30, 2006, totaled \$144,396 and its employees contributed \$94,084.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE 15 - CONCENTRATIONS OF CREDIT RISK

Bank Balances

The Organization maintains bank accounts in several local banks; however, frequently the balances of certain banks exceed the maximum amount insured by the Federal Deposit Insurance Corporation of \$100,000. At September 30, 2006, the Organization had \$3,197,608 of cash deposited in excess of the insured limits. The Organization's bank, however, has eligible collateral and securities available to pledge for excess deposits. In addition, the bank also participates in the State of Iowa sinking fund for losses that exceed insured limits, if those losses are incurred due to a closure of the bank by its respective regulatory agency.

Support from Government Agencies

The Organization receives a substantial portion of its revenue from federal and state grants. A significant reduction in the level of government funding would have a major effect on the Organization's programs and activities.

NOTE 16 - SIGNIFICANT ESTIMATE

Because obtaining a detailed measurement of the fair value of contributed food can be difficult, the Organization estimates fair value based on approximations, such as the average value per pound. Management believes the valuation of in-kind food donations is adequate based on information currently known. However, further information impacting these estimates could be available which might significantly change the valuation of the contributed inventory.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
September 30, 2006

| ASSETS | Total All Funds | Corporate Operations Unallocable | Corporate Operations Property | Corporate Operation Allocable | GAAP Differences Account | Total Restricted or Designated Funds |
|---|------------------------|---|--|--|---|---|
| Cash | \$ 3,122,808 | \$ 60,079 | \$ 112,621 | \$ 24,701 | \$ - | \$ 2,925,407 |
| Certificates of deposit | 350,000 | 350,000 | - | - | - | - |
| Receivables: | | | | | | |
| Grant or contract | 905,896 | - | - | - | - | 905,896 |
| Other | 92,542 | - | - | 30,690 | - | 61,852 |
| Prepaid expenses | 161,018 | 1,050 | 161 | 3,665 | - | 156,142 |
| Inventories | 54,713 | - | - | - | - | 54,713 |
| Investments | 3,197 | 3,197 | - | - | - | - |
| Property and Equipment: | | | | | | |
| Land and buildings | 9,526,212 | - | 3,426,678 | - | 2,656,905 | 3,442,629 |
| Equipment | 1,911,439 | - | 1,315,963 | - | 426,699 | 168,777 |
| Accumulated depreciation | (5,686,309) | - | (2,569,470) | - | (1,286,257) | (1,830,582) |
| TOTAL ASSETS | \$ 10,441,516 | \$ 414,326 | \$ 2,285,953 | \$ 59,056 | \$ 1,797,347 | \$ 5,884,834 |
| LIABILITIES & NET ASSETS | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | \$ 1,229,821 | \$ 1,991 | \$ 17,017 | \$ 35,259 | \$ - | \$ 1,175,554 |
| Due to funding sources | 96,391 | - | - | - | - | 96,391 |
| Deferred revenue | 416,172 | - | - | - | - | 416,172 |
| Other liabilities | 44,381 | (4,296) | - | - | - | 48,677 |
| Notes payable | 2,840,991 | - | 1,899,611 | - | (240,291) | 1,181,671 |
| Total Liabilities | 4,627,756 | (2,305) | 1,916,628 | 35,259 | (240,291) | 2,918,465 |
| NET ASSETS | | | | | | |
| Unrestricted | 3,451,991 | 416,631 | 369,325 | 23,797 | 1,192,558 | 1,449,680 |
| Temporarily restricted | 2,361,769 | - | - | - | 845,080 | 1,516,689 |
| Total Net Assets | 5,813,760 | 416,631 | 369,325 | 23,797 | 2,037,638 | 2,966,369 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 10,441,516 | \$ 414,326 | \$ 2,285,953 | \$ 59,056 | \$ 1,797,347 | \$ 5,884,834 |

| Benefit Allocation Pool | Residential Environmental Division Pool | Weatherization Inventory | Quality Child Care Initiative | Head Start | Johnson County FEMA | C.R. HUD Combined Transitional Housing | Transitional Housing V | Chronically Homeless SHIP |
|-------------------------|---|--------------------------|-------------------------------|-------------------|---------------------|--|------------------------|---------------------------|
| \$ 619,661 | \$ 34,797 | \$ 32,901 | \$ 13,417 | \$ (43,391) | \$ 2,304 | \$ 22,253 | \$ 10,321 | \$ 1,760 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 201,971 | - | 6,097 | 3,421 | - |
| 46,204 | 263 | - | - | - | - | 876 | - | - |
| 153,934 | - | - | - | 1,743 | - | 400 | - | - |
| - | - | 11,365 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 22,059 | - | - | - | - | 33,771 | - | - |
| - | (22,059) | - | - | - | - | (33,771) | - | - |
| <u>\$ 819,799</u> | <u>\$ 35,060</u> | <u>\$ 44,266</u> | <u>\$ 13,417</u> | <u>\$ 160,323</u> | <u>\$ 2,304</u> | <u>\$ 29,626</u> | <u>\$ 13,742</u> | <u>\$ 1,760</u> |
| | | | | | | | | |
| \$ 685,485 | \$ - | \$ - | \$ 806 | \$ 160,323 | \$ - | \$ 12,318 | \$ 4,823 | \$ 47 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 17,308 | 8,919 | - |
| - | - | - | - | - | - | - | - | - |
| <u>685,485</u> | <u>-</u> | <u>-</u> | <u>806</u> | <u>160,323</u> | <u>-</u> | <u>29,626</u> | <u>13,742</u> | <u>47</u> |
| | | | | | | | | |
| 134,314 | 35,060 | - | - | - | - | - | - | - |
| - | - | 44,266 | 12,611 | - | 2,304 | - | - | 1,713 |
| <u>134,314</u> | <u>35,060</u> | <u>44,266</u> | <u>12,611</u> | <u>-</u> | <u>2,304</u> | <u>-</u> | <u>-</u> | <u>1,713</u> |
| | | | | | | | | |
| <u>\$ 819,799</u> | <u>\$ 35,060</u> | <u>\$ 44,266</u> | <u>\$ 13,417</u> | <u>\$ 160,323</u> | <u>\$ 2,304</u> | <u>\$ 29,626</u> | <u>\$ 13,742</u> | <u>\$ 1,760</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
September 30, 2006

| ASSETS | Chronically Homeless | CSBG | LIHEAP | HEAP | DOE 02C | IP & L Utilities |
|---|-------------------------|-------------------|------------------|-------------------|-------------------|---------------------|
| Cash | \$ (10,868) | \$ 102,432 | \$ 46,162 | \$ 56,079 | \$ 166,793 | \$ 85,194 |
| Certificates of deposit | - | - | - | - | - | - |
| Receivables: | | | | | | |
| Grant or contract | 14,332 | - | - | 46,399 | - | - |
| Other | - | - | - | - | - | - |
| Prepaid expenses | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - |
| Property and Equipment: | | | | | | |
| Land and buildings | - | - | - | - | - | - |
| Equipment | - | - | 10,475 | - | 15,643 | - |
| Accumulated depreciation | - | - | (10,475) | - | (15,643) | - |
| TOTAL ASSETS | \$ 3,464 | \$ 102,432 | \$ 46,162 | \$ 102,478 | \$ 166,793 | \$ 85,194 |
| LIABILITIES & NET ASSETS | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | \$ 2,460 | \$ 869 | \$ 7,204 | \$ 102,478 | \$ - | \$ - |
| Due to funding sources | - | - | 38,958 | - | - | - |
| Deferred revenue | - | 101,563 | - | - | 166,793 | 85,194 |
| Other liabilities | 1,004 | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - |
| | <u>3,464</u> | <u>102,432</u> | <u>46,162</u> | <u>102,478</u> | <u>166,793</u> | <u>85,194</u> |
| Net Assets | | | | | | |
| Unrestricted | - | - | - | - | - | - |
| Temporarily restricted | - | - | - | - | - | - |
| Total Net Assets | - | - | - | - | - | - |
| Total Liabilities & Net Assets | \$ 3,464 | \$ 102,432 | \$ 46,162 | \$ 102,478 | \$ 166,793 | \$ 85,194 |

| ESGP IA | | | | | | | | | |
|-----------------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|-------------------|-----------|
| Institute for | | | | Child Care | Child Care | | Food | | |
| Community | CACFP | CACFP Home | | Resource & | Block Grant | Crisis | Reservoir | | Food |
| Alliance | Centers | Providers | Shared Visions | Referral | Wrap Around | Child Care | Bulk Buy | | Reservoir |
| \$ (35,335) | \$ (12,512) | \$ (7,761) | \$ 13,645 | \$ 5,654 | \$ (43,010) | \$ (8,862) | \$ 5,420 | | \$ 22,537 |
| - | - | - | - | - | - | - | - | - | - |
| 36,378 | 30,792 | 48,321 | 18,367 | - | 58,686 | 19,133 | - | 21,690 | - |
| - | - | - | - | - | - | - | 4,075 | 7,670 | - |
| - | - | - | - | - | - | - | 1,147 | 42,201 | - |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | 16,326 |
| - | - | - | - | - | - | - | - | - | (9,795) |
| <u>\$ 1,043</u> | <u>\$ 18,280</u> | <u>\$ 40,560</u> | <u>\$ 32,012</u> | <u>\$ 5,654</u> | <u>\$ 15,676</u> | <u>\$ 10,271</u> | <u>\$ 10,642</u> | <u>\$ 100,629</u> | |
| | | | | | | | | | |
| \$ 1,043 | \$ 18,280 | \$ 40,560 | \$ 9,890 | \$ 2,166 | \$ 15,676 | \$ 791 | \$ - | \$ 4,887 | |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | 3,755 | 3,488 | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - |
| <u>1,043</u> | <u>18,280</u> | <u>40,560</u> | <u>13,645</u> | <u>5,654</u> | <u>15,676</u> | <u>791</u> | <u>-</u> | <u>4,887</u> | |
| | | | | | | | | | |
| - | - | - | (587) | - | - | - | 10,642 | 28,026 | |
| - | - | - | 18,954 | - | - | 9,480 | - | 67,716 | |
| - | - | - | - | - | - | - | - | - | - |
| - | - | - | 18,367 | - | - | 9,480 | 10,642 | 95,742 | |
| <u>\$ 1,043</u> | <u>\$ 18,280</u> | <u>\$ 40,560</u> | <u>\$ 32,012</u> | <u>\$ 5,654</u> | <u>\$ 15,676</u> | <u>\$ 10,271</u> | <u>\$ 10,642</u> | <u>\$ 100,629</u> | |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
September 30, 2006

| ASSETS | WIC Alliance | Alliance Child & Maternal Health | WIC Immunization Project | Farmers Market | Johnson County Empowerment | Non-traditional Child Care |
|---|------------------|--|--------------------------------|-------------------|----------------------------------|-------------------------------|
| Cash | \$ 22,183 | \$ (14,702) | \$ 967 | \$ (694) | \$ (3,226) | \$ 13,394 |
| Certificates of deposit | - | - | - | - | - | - |
| Receivables: | | | | | | |
| Grant or contract | 50,722 | 40,549 | - | 694 | 4,317 | - |
| Other | - | - | - | - | - | - |
| Prepaid expenses | - | 65 | - | - | - | - |
| Inventories | - | - | - | - | - | - |
| Investments | - | - | - | - | - | - |
| Property and Equipment: | | | | | | |
| Land and buildings | - | - | - | - | - | - |
| Equipment | - | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 72,905 | \$ 25,912 | \$ 967 | \$ - | \$ 1,091 | \$ 13,394 |
| LIABILITIES & NET ASSETS | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable and accrued expenses | \$ 15,472 | \$ 12,817 | \$ 189 | \$ - | \$ 1,091 | \$ 3,425 |
| Due to funding sources | 57,433 | - | - | - | - | - |
| Deferred revenue | - | - | 778 | - | - | 9,969 |
| Other liabilities | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - |
| | <u>72,905</u> | <u>12,817</u> | <u>967</u> | <u>-</u> | <u>1,091</u> | <u>13,394</u> |
| Net Assets | | | | | | |
| Unrestricted | - | - | - | - | - | - |
| Temporarily restricted | - | 13,095 | - | - | - | - |
| Total Net Assets | <u>-</u> | <u>13,095</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities & Net Assets | \$ 72,905 | \$ 25,912 | \$ 967 | \$ - | \$ 1,091 | \$ 13,394 |

| Child Health | Head Start Wrap Around | Jones County Empowerment | HAAA Senior Services | First Call For Help "211" | Local Head Start Operations | College Community School Age | Alliant Home Town Care | Mid American Assistance Operations |
|------------------|---------------------------|-----------------------------|-------------------------|------------------------------|-----------------------------------|------------------------------------|---------------------------|--|
| \$ 54,483 | \$ 7,685 | \$ (230) | \$ 5,135 | \$ 14,938 | \$ 166,804 | \$ (86) | \$ 353,809 | \$ 641,322 |
| - | - | - | - | - | - | - | - | - |
| - | 19,521 | 2,161 | 18,055 | 179,687 | 5,469 | - | - | - |
| - | - | - | 7,464 | - | - | 278 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 51,843 | - |
| - | - | - | - | - | - | - | (49,363) | - |
| <u>\$ 54,483</u> | <u>\$ 27,206</u> | <u>\$ 1,931</u> | <u>\$ 30,654</u> | <u>\$ 194,626</u> | <u>\$ 172,273</u> | <u>\$ 192</u> | <u>\$ 356,289</u> | <u>\$ 641,322</u> |
| | | | | | | | | |
| \$ 35,194 | \$ 4,761 | \$ 1,931 | \$ 8,475 | \$ 4,672 | \$ 178 | \$ 192 | \$ 321 | \$ - |
| - | - | - | - | - | - | - | - | - |
| 19,289 | 2,925 | - | 22,179 | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>54,483</u> | <u>7,686</u> | <u>1,931</u> | <u>30,654</u> | <u>4,672</u> | <u>178</u> | <u>192</u> | <u>321</u> | <u>-</u> |
| | | | | | | | | |
| - | - | - | - | - | 144,745 | - | 2,480 | - |
| - | 19,520 | - | - | 189,954 | 27,350 | - | 353,488 | 641,322 |
| - | 19,520 | - | - | 189,954 | 172,095 | - | 355,968 | 641,322 |
| <u>\$ 54,483</u> | <u>\$ 27,206</u> | <u>\$ 1,931</u> | <u>\$ 30,654</u> | <u>\$ 194,626</u> | <u>\$ 172,273</u> | <u>\$ 192</u> | <u>\$ 356,289</u> | <u>\$ 641,322</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
September 30, 2006

| ASSETS | Local | | City of C.R. Lead Grant | Benton County | | Cedar Rapids | |
|---|--------------------------|----------------------------|----------------------------|---------------------|--------------------------------|-------------------------------------|--|
| | Assistance Operations | Homeless Children Trust | | Local Operations | Home Investment Programs | Linn County Permanent Housing | |
| Cash | \$ 34,629 | \$ 25,326 | \$ (38,792) | \$ 37,116 | \$ (731) | \$ 373,339 | |
| Certificates of deposit | - | - | - | - | - | - | |
| Receivables: | | | | | | | |
| Grant or contract | - | - | 38,792 | 25,271 | 731 | - | |
| Other | 2,300 | - | - | (7,278) | - | - | |
| Prepaid expenses | - | - | - | - | - | - | |
| Inventories | - | - | - | - | - | - | |
| Investments | - | - | - | - | - | - | |
| Property and Equipment: | | | | | | | |
| Land and buildings | - | - | - | 258,160 | - | 259,476 | |
| Equipment | - | - | - | 9,017 | - | - | |
| Accumulated depreciation | - | - | - | (109,506) | - | (83,934) | |
| TOTAL ASSETS | \$ 36,929 | \$ 25,326 | \$ - | \$ 212,780 | \$ - | \$ 548,881 | |
| LIABILITIES & NET ASSETS | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ 11,801 | \$ - | \$ 828 | |
| Due to funding sources | - | - | - | - | - | - | |
| Deferred revenue | - | - | - | - | - | - | |
| Other liabilities | - | - | - | 2,064 | - | 2,146 | |
| Notes payable | - | - | - | - | - | - | |
| | - | - | - | 13,865 | - | 2,974 | |
| NET ASSETS | | | | | | | |
| Unrestricted | - | - | - | 181,588 | - | 545,907 | |
| Temporarily restricted | 36,929 | 25,326 | - | 17,327 | - | - | |
| Total Net Assets | 36,929 | 25,326 | - | 198,915 | - | 545,907 | |
| TOTAL LIABILITIES AND NET ASSETS | \$ 36,929 | \$ 25,326 | \$ - | \$ 212,780 | \$ - | \$ 548,881 | |

| <u>Inn Circle Local Operations</u> | <u>Johnson County Local Operations</u> | <u>Old Main Local Operations</u> | <u>IA Respite Mini Grant</u> | <u>Greater C.R. Community Foundation</u> |
|--|--|--|----------------------------------|--|
| \$ 110,435 | \$ 31,665 | \$ 9,319 | \$ 357 | \$ 1,370 |
| - | - | - | - | - |
| 14,341 | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| 1,521,024 | 1,403,969 | - | - | - |
| - | 9,643 | - | - | - |
| <u>(1,033,916)</u> | <u>(462,120)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 611,884</u> | <u>\$ 983,157</u> | <u>\$ 9,319</u> | <u>\$ 357</u> | <u>\$ 1,370</u> |
| | | | | |
| \$ 64 | \$ 2,659 | \$ 1,261 | \$ 118 | \$ - |
| - | - | - | - | - |
| - | - | - | 239 | - |
| - | 14,291 | 2,945 | - | - |
| <u>239,366</u> | <u>942,306</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | |
| <u>239,429</u> | <u>959,256</u> | <u>4,206</u> | <u>357</u> | <u>-</u> |
| | | | | |
| 346,412 | 23,101 | (2,008) | - | - |
| <u>26,043</u> | <u>800</u> | <u>7,121</u> | <u>-</u> | <u>1,370</u> |
| | | | | |
| <u>372,455</u> | <u>23,901</u> | <u>5,113</u> | <u>-</u> | <u>1,370</u> |
| | | | | |
| <u>\$ 611,884</u> | <u>\$ 983,157</u> | <u>\$ 9,319</u> | <u>\$ 357</u> | <u>\$ 1,370</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | Total All Funds | Elimination of Internal Services | Corporate Operations | Corporate Operations Property | Corporate Operations Unallocable | Total Restricted or Designated Funds |
|--|---------------------|--|-------------------------|-------------------------------------|--|---|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 17,945,011 | \$ - | \$ - | \$ - | \$ - | \$ 17,945,011 |
| United Way | 651,566 | - | - | - | 6,301 | 645,265 |
| Contributions and public support | 1,735,971 | - | - | - | 672 | 1,735,299 |
| Program income | 681,952 | - | - | - | 2,616 | 679,336 |
| Sales to public | 24,144 | - | - | - | 1,006 | 23,138 |
| Investment income | 71,957 | - | - | - | 71,957 | - |
| CSBG transferred | - | - | - | - | - | - |
| Unrestricted revenue transferred | - | 6,708 | - | - | - | (6,708) |
| Internal service fee | - | (5,586,920) | 1,536,392 | 888,071 | - | 3,162,457 |
| In-kind contributions | 4,121,886 | - | - | - | - | 4,121,886 |
| | <u>25,232,487</u> | <u>(5,580,212)</u> | <u>1,536,392</u> | <u>888,071</u> | <u>82,551</u> | <u>28,305,685</u> |
| Total revenue and support | | | | | | |
| EXPENSES | | | | | | |
| Salaries and wages | 7,103,176 | - | 631,191 | 51,879 | - | 6,420,106 |
| Paid release | - | (117,639) | - | - | - | 117,639 |
| Employee fringes and payroll taxes | 2,490,253 | (2,536,746) | 355,670 | 23,266 | - | 4,648,063 |
| Enrollee wages | 253,680 | - | - | - | - | 253,680 |
| Enrollee fringes and payroll taxes | 10,711 | - | - | - | - | 10,711 |
| Contract services and fees | 2,672,688 | (483,353) | 71,535 | 109,861 | - | 2,974,645 |
| Training | 48,070 | - | 9,347 | - | - | 38,722 |
| Travel | 170,371 | - | 13,037 | - | - | 157,334 |
| Supplies and materials | 344,516 | (24,719) | 21,899 | 20,637 | 3,324 | 323,375 |
| Assistance to individuals | 4,868,698 | - | - | - | - | 4,868,698 |
| Occupancy | 945,784 | (888,071) | 270,927 | 353,236 | 106,819 | 1,102,873 |
| Printing | 7,010 | - | 1,230 | - | - | 5,780 |
| Equipment and repairs | 153,231 | - | 21,090 | 39,044 | - | 93,097 |
| Memberships | 17,539 | - | 907 | - | 11,811 | 4,821 |
| Telephone | 92,024 | - | 6,734 | 57,017 | - | 28,273 |
| Depreciation | 558,322 | - | - | 205,787 | - | 352,535 |
| Postage | 43,341 | - | 8,204 | - | 7 | 35,130 |
| Other direct costs | 245,556 | 6,708 | 95,042 | 15,146 | 19,271 | 109,389 |
| In-kind services and supplies | 4,127,286 | - | - | - | - | 4,127,286 |
| | <u>24,152,256</u> | <u>(4,043,820)</u> | <u>1,506,814</u> | <u>875,872</u> | <u>141,232</u> | <u>25,672,158</u> |
| Indirect costs | - | (1,536,392) | - | 12,427 | - | 1,523,966 |
| Total expenses | <u>24,152,256</u> | <u>(5,580,212)</u> | <u>1,506,814</u> | <u>888,299</u> | <u>141,232</u> | <u>27,196,124</u> |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | | | | | | |
| | 1,080,231 | - | 29,578 | (228) | (58,680) | 1,109,561 |
| Interfund transfers | - | - | - | (946,174) | 475,312 | 470,862 |
| CHANGE IN NET ASSETS | | | | | | |
| | <u>1,080,231</u> | <u>-</u> | <u>29,578</u> | <u>(946,402)</u> | <u>416,632</u> | <u>1,580,423</u> |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | | |
| | 3,811,918 | - | (5,781) | 1,315,727 | - | 2,501,972 |
| Prior period adjustments | 921,611 | - | - | - | - | 921,611 |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | | | | | | |
| | <u>4,733,529</u> | <u>-</u> | <u>(5,781)</u> | <u>1,315,727</u> | <u>-</u> | <u>3,423,583</u> |
| NET ASSETS, END OF YEAR | | | | | | |
| | <u>\$ 5,813,760</u> | <u>\$ -</u> | <u>\$ 23,797</u> | <u>\$ 369,325</u> | <u>\$ 416,632</u> | <u>\$ 5,004,006</u> |

Fringe Benefits Pool

| Fringe Benefits | Paid Release | Fringe | Paid Release | GAAP Differences Account | Residential Environmental Division Pool | Weatherization Inventory | Quality Childcare Initiative '06 | Quality Childcare Initiative '07 |
|------------------------|---------------------|-----------------|---------------------|---------------------------------|--|---------------------------------|---|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,684 | \$ - | \$ 26,514 | \$ 29,515 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 9,564 | 263 | - | - | - |
| - | - | - | - | - | 3,111 | - | - | - |
| - | - | - | - | - | 6,621 | - | 609 | 726 |
| 2,087,398 | 60,262 | 427,759 | 139,228 | (60,262) | - | 24,719 | - | - |
| - | - | - | - | - | - | - | 4,830 | - |
| <u>2,087,398</u> | <u>60,262</u> | <u>427,759</u> | <u>139,228</u> | <u>(50,698)</u> | <u>16,678</u> | <u>24,719</u> | <u>31,953</u> | <u>30,241</u> |
| 126,556 | 410,684 | 98,289 | 81,851 | - | 3,454 | - | 7,932 | 8,732 |
| - | 60,262 | - | 57,377 | - | - | - | - | - |
| 989,313 | 222,864 | 385,898 | - | - | 1,980 | - | 4,598 | 4,937 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 530 | - | 9,900 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 6,004 | 2,793 | - | 58 | 107 |
| - | - | - | - | - | - | 23,636 | 714 | 1,793 |
| - | - | - | - | (137,254) | - | - | - | - |
| - | - | - | - | - | - | - | 280 | - |
| - | - | - | - | (12,659) | - | - | 1,770 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 161,462 | 1,281 | - | - | - |
| 629 | - | - | - | - | 5,836 | - | - | - |
| - | - | - | - | - | - | - | 4,830 | - |
| 1,116,498 | 693,811 | 484,187 | 139,228 | 17,553 | 15,875 | 23,636 | 30,081 | 15,569 |
| 28,693 | 92,537 | 42,513 | - | - | 803 | - | 1,872 | 2,061 |
| <u>1,145,191</u> | <u>786,347</u> | <u>526,700</u> | <u>139,228</u> | <u>17,553</u> | <u>16,678</u> | <u>23,636</u> | <u>31,953</u> | <u>17,630</u> |
| 942,207 | (726,085) | (98,941) | - | (68,251) | - | 1,083 | - | 12,611 |
| (807,893) | 726,085 | 29,292 | (7,746) | 1,852,512 | (758) | 1,949 | - | - |
| <u>134,314</u> | <u>-</u> | <u>(69,649)</u> | <u>(7,746)</u> | <u>1,784,261</u> | <u>(758)</u> | <u>3,032</u> | <u>-</u> | <u>12,611</u> |
| - | - | 69,649 | 7,746 | - | 35,818 | 41,232 | - | - |
| - | - | - | - | 253,378 | - | - | - | - |
| - | - | 69,649 | 7,746 | 253,378 | 35,818 | 41,232 | - | - |
| <u>\$ 134,314</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,037,639</u> | <u>\$ 35,060</u> | <u>\$ 44,264</u> | <u>\$ -</u> | <u>\$ 12,611</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | Head Start '06 | Head Start '05 | CCF Healthy Marriage Initiative | FEMA '05 | FEMA '06 | Transitional Housing IO |
|--|------------------|------------------|---------------------------------------|-------------|-----------------|----------------------------|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 4,159,187 | \$ 1,440,576 | \$ 24,410 | \$ 871 | \$ 4,603 | \$ 8,608 |
| United Way | - | - | - | - | - | - |
| Contributions and public support | - | - | - | - | - | - |
| Program income | - | (192) | - | - | - | 2,775 |
| Sales to public | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | - | - | - | - | - | 2,034 |
| Unrestricted revenue transferred | - | - | - | - | - | - |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | 173,612 | 152,218 | - | - | - | - |
| Total revenue and support | 4,332,799 | 1,592,602 | 24,410 | 871 | 4,603 | 13,416 |
| EXPENSES | | | | | | |
| Salaries and wages | 1,769,941 | 589,292 | 6,575 | - | - | 4,809 |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | 947,514 | 304,828 | 833 | - | - | 2,242 |
| Enrollee wages | - | - | - | - | - | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | 452,238 | 170,251 | 875 | - | - | 1,516 |
| Training | 19,222 | 10,763 | - | - | - | - |
| Travel | 34,805 | 10,796 | 3,832 | - | - | 22 |
| Supplies and materials | 63,267 | 33,405 | 4,398 | - | - | 155 |
| Assistance to individuals | 1,235 | 1,247 | 4,591 | 871 | 2,299 | - |
| Occupancy | 402,988 | 138,498 | - | - | - | 3,621 |
| Printing | 2,363 | - | - | - | - | - |
| Equipment and repairs | 9,305 | 38,278 | 1,754 | - | - | - |
| Memberships | 1,482 | - | - | - | - | - |
| Telephone | 14,508 | 4,170 | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Postage | 4,840 | 1,497 | - | - | - | - |
| Other direct costs | 17,589 | 2,217 | - | - | - | 16 |
| In-kind services and supplies | 173,612 | 152,218 | - | - | - | - |
| | 3,914,908 | 1,457,459 | 22,858 | 871 | 2,299 | 12,381 |
| Less indirect costs | 417,892 | 135,143 | 1,552 | - | - | 1,035 |
| Total expenses | 4,332,799 | 1,592,602 | 24,410 | 871 | 2,299 | 13,416 |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | | | | | | |
| Interfund transfers | - | (18,476) | - | - | 2,304 | - |
| CHANGE IN NET ASSETS | - | (18,476) | - | - | 2,304 | - |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | | |
| Prior period adjustments | - | 18,476 | - | - | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | - | 18,476 | - | - | - | - |
| NET ASSETS, END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ 2,304 | \$ - |

| Transitional Housing IN | Local Housing Hud II | Transitional Housing IIM | HUD Rural America XV | HUD Rural America | Hud Inn Circle '06 | Hud V | Chronically Homeless | Chronically Homeless SHIP |
|-------------------------|----------------------|--------------------------|----------------------|-------------------|--------------------|---------------|----------------------|---------------------------|
| \$ 1,912 | \$ - | \$ 19,510 | \$ 68,639 | \$ 164,750 | \$ 164,537 | \$ 65,412 | \$ 155,564 | \$ 2,148 |
| - | - | - | - | - | - | - | - | - |
| 978 | 1,257 | 6,046 | 11,762 | 31,355 | 44,941 | 11,338 | 3,581 | - |
| - | - | - | - | - | - | - | - | - |
| - | 3,743 | 9,624 | 10,374 | 14,739 | 9,366 | 1,038 | - | 1,800 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>2,890</u> | <u>4,999</u> | <u>35,180</u> | <u>90,775</u> | <u>210,844</u> | <u>218,843</u> | <u>77,787</u> | <u>159,145</u> | <u>3,948</u> |
| 988 | 2,172 | 15,754 | 40,725 | 91,999 | 87,696 | 34,733 | 9,224 | 1,522 |
| - | - | - | - | - | - | - | - | - |
| 305 | 1,062 | 6,913 | 21,509 | 49,334 | 47,356 | 18,586 | 4,511 | 259 |
| - | - | - | 3,143 | 6,963 | - | 3,910 | - | - |
| - | - | - | - | - | - | - | - | - |
| 462 | 297 | 1,524 | 4,843 | 5,978 | 19,176 | 695 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 82 | 459 | 1,207 | 2,501 | 826 | 569 | 77 | 94 |
| - | 90 | 163 | 1,428 | 3,750 | 2,489 | 1,144 | 74 | - |
| - | - | 276 | 358 | 405 | 50 | 275 | - | - |
| 989 | 450 | 9,733 | 16,042 | 35,908 | 47,507 | 14,526 | 142,896 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 118 | 45 | 61 | 148 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 598 | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 15 | - |
| 94 | (23) | 358 | 596 | 578 | 886 | 86 | 170 | - |
| <u>2,839</u> | <u>4,129</u> | <u>35,180</u> | <u>90,567</u> | <u>197,461</u> | <u>206,047</u> | <u>74,673</u> | <u>156,968</u> | <u>1,876</u> |
| 52 | 870 | - | 207 | 13,382 | 12,797 | 3,114 | 2,177 | 359 |
| <u>2,890</u> | <u>4,999</u> | <u>35,180</u> | <u>90,775</u> | <u>210,844</u> | <u>218,843</u> | <u>77,787</u> | <u>159,145</u> | <u>2,235</u> |
| - | - | - | - | - | - | - | - | 1,713 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 1,713 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,713</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | C.R. HUD II Combined | | | | DOE 06-02C | |
|--|-------------------------|---------------------------|---------------|---------------|------------------|----------------|
| | Transitional Housing | Transitional Housing V | CSBG '05 | CSBG '06 | LIHEAP | |
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 93,859 | \$ 45,396 | \$ 102,749 | \$ 593,511 | \$ 3,934,194 | \$ 379,778 |
| United Way | - | - | - | - | - | - |
| Contributions and public support | - | - | - | - | - | - |
| Program income | 27,412 | 11,339 | - | - | - | - |
| Sales to public | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | - | - | (89,087) | (560,135) | - | - |
| Unrestricted revenue transferred | - | - | - | - | - | - |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | - | - | - | - | - | - |
| Total revenue and support | <u>121,271</u> | <u>56,735</u> | <u>13,661</u> | <u>33,376</u> | <u>3,934,194</u> | <u>379,778</u> |
| EXPENSES | | | | | | |
| Salaries and wages | 59,306 | 26,509 | 7,561 | 18,645 | 142,262 | - |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | 32,244 | 13,842 | 4,234 | 10,133 | 78,285 | - |
| Enrollee wages | - | 486 | - | - | - | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | 7,082 | 7,882 | - | - | 3,422 | 379,778 |
| Training | - | - | 20 | - | 226 | - |
| Travel | 1,046 | 759 | 61 | 198 | 4,487 | - |
| Supplies and materials | 1,159 | 967 | - | - | 6,227 | - |
| Assistance to individuals | 16 | 140 | - | - | 3,656,674 | - |
| Occupancy | 13,642 | 3,267 | - | - | - | - |
| Printing | - | - | - | - | 1,172 | - |
| Equipment and repairs | 282 | 7 | - | - | 908 | - |
| Memberships | - | - | - | - | - | - |
| Telephone | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Postage | - | - | - | - | 6,988 | - |
| Other direct costs | 946 | 329 | - | - | 105 | - |
| In-kind services and supplies | - | - | - | - | - | - |
| Total expenses | <u>115,722</u> | <u>54,189</u> | <u>11,877</u> | <u>28,976</u> | <u>3,900,758</u> | <u>379,778</u> |
| Less indirect costs | <u>5,549</u> | <u>2,546</u> | <u>1,785</u> | <u>4,400</u> | <u>33,436</u> | <u>-</u> |
| Total expenses | <u>121,271</u> | <u>56,735</u> | <u>13,661</u> | <u>33,376</u> | <u>3,934,194</u> | <u>379,778</u> |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | - | - | - | - | - | - |
| Interfund transfers | - | - | - | - | - | - |
| CHANGE IN NET ASSETS | - | - | - | - | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | - | - | - | - | - | - |
| Prior period adjustments | - | - | - | - | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | - | - | - | - | - | - |
| NET ASSETS, END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| DOE 02-02C | HEAP '06 | HEAP '07 | Aquila 06-02 | IP & L Utilities '05 | IP & L Utilities '06 | MEC 06-02C | Food Assistance Outreach | Homeless Shelter HSOG '05 |
|----------------|----------------|----------------|-----------------|-------------------------|-------------------------|----------------|--------------------------------|---------------------------------|
| \$ 188,260 | \$ 313,089 | \$ 643,455 | \$ 9,585 | \$ 63,683 | \$ 177,476 | \$ 220,031 | \$ 173 | \$ 54,850 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 254,845 | 224,183 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>188,260</u> | <u>567,934</u> | <u>867,638</u> | <u>9,585</u> | <u>63,683</u> | <u>177,476</u> | <u>220,031</u> | <u>173</u> | <u>54,850</u> |
| - | 209,984 | 205,233 | - | - | - | - | - | 11,973 |
| - | - | - | - | - | - | - | - | - |
| - | 121,082 | 115,434 | - | - | - | - | - | 7,028 |
| - | - | - | - | - | - | - | - | - |
| 188,260 | 145,626 | 431,288 | 9,585 | 63,683 | 177,476 | 220,031 | - | - |
| - | 1,439 | 98 | - | - | - | - | - | - |
| - | 16,150 | 13,533 | - | - | - | - | - | - |
| - | 5,093 | 12,007 | - | - | - | - | 139 | - |
| - | - | - | - | - | - | - | - | - |
| - | 7,027 | 7,016 | - | - | - | - | - | 32,998 |
| - | - | - | - | - | - | - | - | - |
| - | 8,340 | 10,724 | - | - | - | - | - | - |
| - | 40 | 20 | - | - | - | - | - | - |
| - | 2,114 | 1,372 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 707 | 1,033 | - | - | - | - | 34 | - |
| - | 875 | 21,117 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>188,260</u> | <u>518,477</u> | <u>818,874</u> | <u>9,585</u> | <u>63,683</u> | <u>177,476</u> | <u>220,031</u> | <u>173</u> | <u>51,999</u> |
| - | 49,457 | 48,764 | - | - | - | - | - | 2,851 |
| <u>188,260</u> | <u>567,934</u> | <u>867,638</u> | <u>9,585</u> | <u>63,683</u> | <u>177,476</u> | <u>220,031</u> | <u>173</u> | <u>54,850</u> |
| - | - | - | - | - | - | - | - | - |
| - | (69,853) | - | - | - | - | - | - | - |
| - | (69,853) | - | - | - | - | - | - | - |
| - | 69,853 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 69,853 | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | ESGP IA Institute for Community Alliance | CACFP Centers | CACFP Home Providers | Shared Visions '06 | Shared Visions '07 | Resource & Referral '06 |
|--|---|------------------|-------------------------|-----------------------|-----------------------|----------------------------|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 36,378 | \$ 408,020 | \$ 568,340 | \$ 324,458 | \$ 100,535 | \$ 72,978 |
| United Way | - | - | - | 42,716 | 22,851 | - |
| Contributions and public support | - | - | - | - | - | 385 |
| Program income | - | - | - | - | - | 9,510 |
| Sales to public | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | 2,731 | - | 31,180 | - | - | 2,891 |
| Unrestricted revenue transferred | - | - | - | - | - | - |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | - | - | - | - | - | 3,391 |
| Total revenue and support | 39,109 | 408,020 | 599,520 | 367,174 | 123,386 | 89,156 |
| EXPENSES | | | | | | |
| Salaries and wages | 10,359 | 103,247 | 76,385 | 208,707 | 69,355 | 30,757 |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | 6,043 | 47,789 | 42,761 | 106,420 | 32,938 | 18,328 |
| Enrollee wages | - | - | - | - | - | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | - | 111,591 | - | - | - | 16,221 |
| Training | - | 39 | 291 | - | - | 839 |
| Travel | - | 465 | 3,546 | - | - | 464 |
| Supplies and materials | - | 120,253 | 2,004 | - | - | 4,514 |
| Assistance to individuals | - | - | 453,397 | - | - | - |
| Occupancy | 19,976 | - | - | - | - | - |
| Printing | - | - | 97 | - | - | 50 |
| Equipment and repairs | - | - | - | - | - | 150 |
| Memberships | - | - | 55 | - | - | - |
| Telephone | - | - | 574 | - | - | (172) |
| Depreciation | - | - | - | - | - | - |
| Postage | - | 101 | 2,539 | - | - | 2,548 |
| Other direct costs | - | - | - | 2,850 | 1,025 | 4,823 |
| In-kind services and supplies | - | - | - | - | - | 3,391 |
| | 36,378 | 383,484 | 581,649 | 317,977 | 103,318 | 81,914 |
| Less indirect costs | 2,731 | 24,536 | 18,025 | 49,198 | 16,417 | 7,242 |
| Total expenses | 39,109 | 408,020 | 599,675 | 367,174 | 119,735 | 89,156 |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | | | | | | |
| | - | - | (155) | - | 3,651 | - |
| Interfund transfers | - | - | - | (14,716) | 14,716 | - |
| CHANGE IN NET ASSETS | - | - | (155) | (14,716) | 18,367 | - |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | | |
| | - | - | 155 | - | - | - |
| Prior period adjustments | - | - | - | 14,716 | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATE | - | - | 155 | 14,716 | - | - |
| NET ASSETS, END OF YEAR | \$ - | \$ - | \$ (0) | \$ - | \$ 18,367 | \$ - |

| Resource & Referral '07 | CCBG Wrap Around '07 | CCBG Wrap Around '06 | Emergency Child Care '06 | Emergency Child Care '07 | Iowa Respite Mini Grant | Food Reservoir '06 | Food Reservoir '07 | WIC Alliance |
|-------------------------|----------------------|----------------------|--------------------------|--------------------------|-------------------------|--------------------|--------------------|------------------|
| \$ 20,425 | \$ 58,686 | \$ 597,864 | \$ 25,970 | \$ 9,653 | \$ 15,761 | \$ - | \$ 29,438 | \$ 545,748 |
| - | - | - | 27,084 | 10,046 | - | 10,000 | 70,749 | - |
| 1,296 | - | - | - | - | - | - | 32,145 | - |
| 950 | - | - | - | - | - | 19,201 | 106,270 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | 125,470 | 3,627 | - | - | - | 25,124 | - |
| - | - | - | - | - | - | - | (5,000) | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 1,913,212 | 1,868,726 |
| <u>22,671</u> | <u>58,686</u> | <u>723,333</u> | <u>56,681</u> | <u>19,699</u> | <u>15,761</u> | <u>29,201</u> | <u>2,171,938</u> | <u>2,414,474</u> |
| 10,628 | 33,651 | 408,728 | 25,604 | 7,732 | 2,431 | - | 117,306 | 247,480 |
| - | - | - | - | - | - | - | - | - |
| 6,188 | 17,094 | 217,663 | 14,771 | 4,399 | 1,367 | - | 63,156 | 126,028 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,237 | - | - | 2,250 | 500 | - | - | 320 | 44,060 |
| 153 | - | - | - | - | 110 | - | - | 2,151 |
| 198 | - | - | 471 | 109 | 1,236 | - | 16,755 | 1,500 |
| 433 | - | - | - | - | 399 | 18,560 | 18,564 | 9,214 |
| - | - | - | 7,449 | 4,536 | 8,679 | - | - | - |
| - | - | - | - | - | - | - | - | 54,387 |
| - | - | - | - | - | - | - | - | 154 |
| 80 | - | - | - | - | 369 | - | 806 | - |
| - | - | - | - | 10 | - | - | 3,214 | - |
| - | - | - | - | - | 564 | - | - | - |
| - | - | - | - | - | - | - | 3,265 | - |
| 1,195 | - | - | 89 | 23 | - | - | 1,428 | 2,140 |
| 50 | - | 1 | 30 | - | 57 | - | 5,773 | 679 |
| - | - | - | - | - | - | - | 1,918,612 | 1,868,726 |
| <u>20,163</u> | <u>50,745</u> | <u>626,392</u> | <u>50,662</u> | <u>17,308</u> | <u>15,211</u> | <u>18,560</u> | <u>2,149,199</u> | <u>2,356,519</u> |
| <u>2,508</u> | <u>7,942</u> | <u>96,941</u> | <u>6,019</u> | <u>1,825</u> | <u>550</u> | <u>-</u> | <u>27,656</u> | <u>57,955</u> |
| <u>22,671</u> | <u>58,686</u> | <u>723,333</u> | <u>56,681</u> | <u>19,133</u> | <u>15,761</u> | <u>18,560</u> | <u>2,176,855</u> | <u>2,414,474</u> |
| - | - | - | - | 567 | - | 10,642 | (4,917) | - |
| - | - | - | (8,913) | 8,913 | - | - | 5,001 | - |
| - | - | - | (8,913) | 9,480 | - | 10,642 | 84 | - |
| - | - | - | - | - | - | - | 78,126 | - |
| - | - | - | 8,913 | - | - | - | 17,532 | - |
| - | - | - | 8,913 | - | - | - | 95,658 | - |
| \$ - | \$ - | \$ - | \$ - | \$ 9,480 | \$ - | \$ 10,642 | \$ 95,742 | \$ - |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | Alliance Child Health | Alliance Maternal Health | Hawk - I | Dental | ABC Dental | Fit For Life |
|--|--------------------------|--------------------------------|---------------|---------------|--------------|--------------|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 295,945 | \$ 77,110 | \$ 18,563 | \$ 12,122 | \$ 3,820 | \$ 207 |
| United Way | - | - | - | - | - | - |
| Contributions and public support | - | - | - | - | - | - |
| Program income | - | - | - | - | - | - |
| Sales to public | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | - | - | - | - | - | - |
| Unrestricted revenue transferred | - | - | - | - | - | - |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | - | - | - | - | - | - |
| Total revenue and support | <u>295,945</u> | <u>77,110</u> | <u>18,563</u> | <u>12,122</u> | <u>3,820</u> | <u>207</u> |
| EXPENSES | | | | | | |
| Salaries and wages | 160,232 | 39,832 | 10,513 | - | - | - |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | 83,132 | 23,627 | 5,855 | - | - | - |
| Enrollee wages | - | - | - | - | - | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | 4,849 | 2,550 | - | 12,122 | 2,735 | - |
| Training | 510 | 289 | 100 | - | - | - |
| Travel | 1,814 | 250 | 329 | - | - | - |
| Supplies and materials | 1,422 | 673 | 221 | - | - | - |
| Assistance to individuals | - | - | - | - | - | - |
| Occupancy | - | - | - | - | - | - |
| Printing | - | - | - | - | - | - |
| Equipment and repairs | - | - | 1,450 | - | - | - |
| Memberships | - | - | - | - | - | - |
| Telephone | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Postage | 6,302 | 57 | 95 | - | - | - |
| Other direct costs | - | - | - | - | 1,085 | 207 |
| In-kind services and supplies | - | - | - | - | - | - |
| Total expenses | <u>258,262</u> | <u>67,277</u> | <u>18,563</u> | <u>12,122</u> | <u>3,820</u> | <u>207</u> |
| Less indirect costs | <u>37,682</u> | <u>9,833</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>295,945</u> | <u>77,110</u> | <u>18,563</u> | <u>12,122</u> | <u>3,820</u> | <u>207</u> |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | | | | | | |
| Interfund transfers | - | - | - | - | - | - |
| CHANGE IN NET ASSETS | | | | | | |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | | |
| Prior period adjustments | 9,827 | 3,268 | - | - | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATE | | | | | | |
| | <u>9,827</u> | <u>3,268</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, END OF YEAR | <u>\$ 9,827</u> | <u>\$ 3,268</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| Immunization Project | Immunization Project WIC | Farmers Market | Johnson County | Johnson County | Empowerment Nontraditional Child Care '06 | Empowerment Nontraditional Child Care '07 | Empowerment Child Health '06 | Empowerment Child Health '07 |
|-------------------------|-----------------------------|-------------------|--|--|---|---|------------------------------------|------------------------------------|
| | | | Empowerment Parent Education '06 | Empowerment Parent Education '07 | | | | |
| \$ 2,383 | \$ 2,623 | \$ 2,565 | \$ 6,077 | \$ 5,315 | \$ 160,707 | \$ 40,604 | \$ 182,971 | \$ 61,869 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 13,127 | 3,273 | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 4,289 | 1,609 |
| <u>2,383</u> | <u>2,623</u> | <u>2,565</u> | <u>6,077</u> | <u>5,315</u> | <u>173,834</u> | <u>43,877</u> | <u>187,261</u> | <u>63,478</u> |
| - | 818 | 1,429 | 288 | 1,930 | 68,475 | 21,857 | 29,678 | 14,623 |
| - | - | - | - | - | - | - | - | - |
| - | 139 | 799 | 111 | 1,114 | 36,331 | 10,847 | 16,942 | 8,289 |
| - | - | - | - | - | - | - | - | - |
| 2,334 | 1,263 | - | 3,372 | 962 | 900 | - | 117,695 | 31,171 |
| - | - | - | - | - | 1,417 | 230 | - | 345 |
| - | - | - | - | - | 2,424 | 458 | - | - |
| 47 | 210 | - | 2,240 | 856 | 11,500 | 3,611 | 4,195 | 4,193 |
| - | - | - | - | - | 8,115 | 725 | 4,664 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 1,663 | - | - | - |
| - | - | - | - | - | 25,018 | 95 | 2,795 | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 103 | 35 | - | - |
| - | - | - | - | - | - | - | - | - |
| 2 | - | - | - | - | 429 | 294 | 58 | 11 |
| - | - | - | - | - | 1,193 | 668 | - | - |
| - | - | - | - | - | - | - | 4,289 | 1,609 |
| <u>2,383</u> | <u>2,429</u> | <u>2,228</u> | <u>6,010</u> | <u>4,862</u> | <u>157,568</u> | <u>38,820</u> | <u>180,315</u> | <u>60,239</u> |
| - | 193 | 337 | 68 | 453 | 16,266 | 5,057 | 6,946 | 3,238 |
| <u>2,383</u> | <u>2,623</u> | <u>2,565</u> | <u>6,077</u> | <u>5,315</u> | <u>173,834</u> | <u>43,877</u> | <u>187,261</u> | <u>63,478</u> |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 16,451 | - |
| - | - | - | - | - | - | - | 16,451 | - |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 16,451 | \$ - |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | Linn County Empowerment Wrap Around '06 | Linn County Empowerment Wrap Around '07 | Jones County Empowerment Transportation '06 | Jones County Empowerment Transportation '07 | Benton Nutrition '06 | Benton Nutrition '07 |
|--|--|--|--|--|----------------------------|----------------------------|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 121,050 | \$ 38,633 | \$ 20,452 | \$ 3,711 | \$ 83,303 | \$ 27,386 |
| United Way | 40,444 | 22,570 | - | - | - | - |
| Contributions and public support | - | - | - | - | - | - |
| Program income | - | - | - | - | - | - |
| Sales to public | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | - | - | - | - | - | - |
| Unrestricted revenue transferred | - | - | - | - | - | - |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | - | - | - | - | - | - |
| Total revenue and support | <u>161,494</u> | <u>61,202</u> | <u>20,452</u> | <u>3,711</u> | <u>83,303</u> | <u>27,386</u> |
| EXPENSES | | | | | | |
| Salaries and wages | 89,356 | 32,357 | - | - | - | - |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | 50,931 | 18,139 | - | - | - | - |
| Enrollee wages | - | - | - | - | - | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | - | - | 4,632 | 631 | 83,303 | 27,386 |
| Training | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - |
| Supplies and materials | - | - | - | - | - | - |
| Assistance to individuals | - | - | 15,820 | 3,080 | - | - |
| Occupancy | - | - | - | - | - | - |
| Printing | - | - | - | - | - | - |
| Equipment and repairs | - | - | - | - | - | - |
| Memberships | - | - | - | - | - | - |
| Telephone | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | - |
| Postage | - | - | - | - | - | - |
| Other direct costs | - | - | - | - | - | - |
| In-kind services and supplies | - | - | - | - | - | - |
| Total expenses | <u>140,286</u> | <u>50,497</u> | <u>20,452</u> | <u>3,711</u> | <u>83,303</u> | <u>27,386</u> |
| Less indirect costs | <u>21,208</u> | <u>7,636</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>161,494</u> | <u>58,133</u> | <u>20,452</u> | <u>3,711</u> | <u>83,303</u> | <u>27,386</u> |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | | | | | | |
| | - | 3,070 | - | - | - | - |
| Interfund transfers | (16,451) | 16,450 | - | - | - | - |
| CHANGE IN NET ASSETS | <u>(16,451)</u> | <u>19,520</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | | |
| | - | - | - | - | - | - |
| Prior period adjustments | - | - | - | - | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, END OF YEAR | <u>\$ (16,451)</u> | <u>\$ 19,520</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| HAAA Employment '06 | HAAA Employment '07 | Case Management/ Intervention | HAAA Information & Assistance | HAAA Assessment/ Intervention | Peer to Peer | WIC/Alliance Local | First Call for Help '06 | First Call for Help '07 |
|---------------------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------|-----------------------|----------------------------|----------------------------|
| \$ 222,832 | \$ 76,479 | \$ 10,560 | \$ 4,325 | \$ 3,863 | \$ 13,541 | \$ 62,092 | \$ - | \$ - |
| - | - | - | - | - | - | - | 150,905 | 108,878 |
| 52,426 | 20,361 | - | - | - | 264 | - | (1,197) | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | 4,913 | 2,586 | 15,449 | - |
| - | - | - | - | - | - | - | 4,325 | - |
| - | - | - | - | - | - | - | - | - |
| <u>275,258</u> | <u>96,840</u> | <u>10,560</u> | <u>4,325</u> | <u>3,863</u> | <u>18,718</u> | <u>64,678</u> | <u>169,482</u> | <u>108,878</u> |
| 45,848 | 15,506 | 6,521 | - | 2,256 | 10,248 | - | 92,124 | 26,760 |
| - | - | - | - | - | - | - | - | - |
| 42,947 | 8,699 | 3,848 | - | 1,287 | 6,000 | - | 53,364 | 15,423 |
| 169,755 | 66,629 | - | - | - | - | - | - | - |
| - | 6,653 | - | - | - | - | - | - | - |
| - | - | - | 4,325 | - | - | 57,605 | - | - |
| - | - | - | - | - | - | - | 102 | 243 |
| 311 | - | 152 | - | 280 | - | 639 | 257 | 100 |
| 12 | - | - | - | - | - | 1,455 | 444 | 123 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 897 | - |
| 778 | 250 | - | - | - | - | - | 171 | - |
| - | - | - | - | - | - | - | - | - |
| 73 | 25 | 39 | - | 39 | - | - | 343 | 476 |
| 133 | - | - | - | - | - | 2,175 | 89 | 86 |
| - | - | - | - | - | - | - | - | - |
| <u>259,856</u> | <u>97,762</u> | <u>10,560</u> | <u>4,325</u> | <u>3,863</u> | <u>16,249</u> | <u>61,875</u> | <u>147,792</u> | <u>43,211</u> |
| <u>10,820</u> | <u>3,659</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,470</u> | <u>2,803</u> | <u>21,690</u> | <u>6,418</u> |
| <u>270,676</u> | <u>101,422</u> | <u>10,560</u> | <u>4,325</u> | <u>3,863</u> | <u>18,718</u> | <u>64,678</u> | <u>169,482</u> | <u>49,629</u> |
| 4,582 | (4,582) | - | - | - | - | - | - | 59,249 |
| (4,582) | 4,582 | - | - | - | - | (257) | (130,705) | 130,705 |
| - | 0 | - | - | - | - | (257) | (130,705) | 189,954 |
| - | - | - | - | - | - | 257 | - | - |
| - | - | - | - | - | - | - | 130,705 | - |
| - | - | - | - | - | - | 257 | 130,705 | - |
| \$ - | \$ 0 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 189,954 |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | Iowa Local | Local Child Care Operations '06 | Local Child Care Operations '07 | College Community Schools '06 | College Community Schools '07 | Alliant Home Town Care |
|---|--------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|---------------------------|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ 1,050 | \$ 19,020 | \$ 6,530 | \$ 15,524 | \$ 974 | \$ - |
| United Way | - | 40,716 | - | - | - | - |
| Contributions and public support | - | 5,643 | 1 | - | 250 | 778,835 |
| Program income | - | 24,692 | 855 | - | - | - |
| Sales to public | - | - | - | - | - | - |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | - | - | - | 2,435 | 7,000 | - |
| Unrestricted revenue transferred | - | (5,910) | 5,821 | - | - | - |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | - | - | - | - | - | - |
| Total revenue and support | 1,050 | 84,161 | 13,207 | 17,959 | 8,224 | 778,835 |
| EXPENSES | | | | | | |
| Salaries and wages | - | 8,853 | - | 7,908 | 3,228 | 27,643 |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | - | 8,673 | - | 1,338 | 717 | 8,606 |
| Enrollee wages | - | - | - | - | - | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | - | - | - | 830 | 1,600 | - |
| Training | - | - | - | 35 | - | - |
| Travel | - | - | - | 139 | 5 | - |
| Supplies and materials | - | 3,268 | 52 | 558 | - | - |
| Assistance to individuals | 1,050 | - | - | - | - | 439,044 |
| Occupancy | - | - | - | 4,827 | 1,281 | - |
| Printing | - | - | - | - | - | - |
| Equipment and repairs | - | - | - | - | - | - |
| Memberships | - | - | - | - | - | - |
| Telephone | - | - | - | - | - | - |
| Depreciation | - | - | - | - | - | 7,665 |
| Postage | - | - | - | - | - | - |
| Other direct costs | - | 22,661 | 1,529 | 458 | 629 | - |
| In-kind services and supplies | - | - | - | - | - | - |
| | 1,050 | 43,454 | 1,581 | 16,093 | 7,462 | 482,958 |
| Less indirect costs | - | 6,019 | 12,595 | 1,866 | 762 | 7,298 |
| Total expenses | 1,050 | 49,473 | 14,175 | 17,959 | 8,224 | 490,256 |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | | | | | | |
| | - | 34,688 | (968) | - | - | 288,579 |
| Interfund transfers | - | (173,217) | 173,063 | - | - | 10,145 |
| CHANGE IN NET ASSETS | - | (138,529) | 172,095 | - | - | 298,724 |
| NET ASSETS, BEGINNING OF YEAR, AS | | | | | | |
| PREVIOUSLY REPORTED | - | 128,404 | - | - | - | 57,244 |
| Prior period adjustments | - | 10,125 | - | - | - | - |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | - | 138,529 | - | - | - | 57,244 |
| NET ASSETS, END OF YEAR | \$ - | \$ - | \$ 172,095 | \$ - | \$ - | \$ 355,968 |

| Mid American Assistance Operations | Local Assistance Operations | Homeless Children Trust | Benton Local '06 | Benton Local '07 | CDBG Cedar Rapids '06 | CDBG Cedar Rapids '07 | City of C.R. Lead Grant | Transitional Housing Local '06 |
|------------------------------------|-----------------------------|-------------------------|------------------|-------------------|-----------------------|-----------------------|-------------------------|--------------------------------|
| \$ - | \$ - | \$ - | \$ 81,648 | \$ 41,111 | \$ 43,876 | \$ 10,777 | \$ 104,778 | \$ (15,282) |
| - | - | - | 31,533 | 11,144 | - | - | - | - |
| 839,459 | 27,901 | 29,782 | 828 | 2,041 | - | - | - | 304 |
| - | 6,300 | - | 7,814 | 3,774 | - | - | - | 32,719 |
| - | - | - | - | 300 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 47,576 | - | 15,709 | 8,291 | 1,985 | 2,000 | - | 44,218 |
| - | - | - | 6 | 457 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| <u>839,459</u> | <u>81,777</u> | <u>29,782</u> | <u>137,538</u> | <u>67,118</u> | <u>45,860</u> | <u>12,777</u> | <u>104,778</u> | <u>61,958</u> |
| 13,886 | 26,450 | - | 74,657 | 23,890 | 28,918 | 8,142 | - | 20,284 |
| - | - | - | - | - | - | - | - | - |
| 8,136 | 14,457 | - | 41,299 | 12,850 | 12,770 | - | - | 10,529 |
| - | - | - | - | - | 1,150 | - | - | - |
| - | - | - | - | - | - | 4,058 | - | - |
| - | 100 | - | 1,715 | 759 | - | - | 104,778 | 12,225 |
| - | - | - | - | - | - | - | - | - |
| - | 85 | - | 10,830 | 5,403 | - | - | - | 3,614 |
| - | - | - | (55,855) | (14,830) | - | - | - | 6,736 |
| 180,873 | 22,106 | 28,572 | 4,380 | 4,272 | 176 | 4 | - | - |
| - | 5,438 | - | 45,757 | 14,325 | - | - | - | 10,464 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | 1,530 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | 311 |
| - | - | - | 13,349 | 4,621 | - | - | - | 250 |
| - | - | 226 | 72 | 91 | - | - | - | 286 |
| - | 1,898 | - | 346 | 318 | - | - | - | 883 |
| - | - | - | - | - | - | - | - | - |
| 202,895 | 70,534 | 28,797 | 136,551 | 53,229 | 43,014 | 12,204 | 104,778 | 65,582 |
| 3,277 | 5,448 | - | 19,150 | 6,167 | 2,846 | 573 | - | (2,340) |
| <u>206,173</u> | <u>75,982</u> | <u>28,797</u> | <u>155,701</u> | <u>59,396</u> | <u>45,860</u> | <u>12,777</u> | <u>104,778</u> | <u>63,242</u> |
| 633,287 | 5,794 | 985 | (18,163) | 7,721 | - | - | - | (1,284) |
| 8,036 | (18,596) | - | (15,509) | 191,194 | - | - | - | (1,057,240) |
| <u>641,322</u> | <u>(12,802)</u> | <u>985</u> | <u>(33,672)</u> | <u>198,915</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,058,524)</u> |
| - | 49,731 | 24,341 | 23,161 | - | - | - | - | 1,058,524 |
| - | - | - | 10,511 | - | - | - | - | - |
| - | 49,731 | 24,341 | 33,672 | - | - | - | - | 1,058,524 |
| <u>\$ 641,322</u> | <u>\$ 36,929</u> | <u>\$ 25,326</u> | <u>\$ -</u> | <u>\$ 198,915</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
COMBINING STATEMENT OF ACTIVITIES
Year Ended September 30, 2006

| | Transitional Housing Local '07 | Inn Circle Local Operations '06 | Inn Circle Local Operations '07 | Johnson Local Operations '06 | Johnson Local Operations '07 | Washington Local Operations '06 |
|--|--------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|------------------------------------|---------------------------------------|
| REVENUE AND SUPPORT | | | | | | |
| Government grants, fees and support | \$ - | \$ 25,856 | \$ 6,658 | \$ - | \$ - | \$ 33,604 |
| United Way | - | 40,421 | 15,208 | - | - | - |
| Contributions and public support | - | 1,008 | 50 | 508 | 2,650 | 4,564 |
| Program income | 20,568 | 1,426 | - | 125,104 | 58,076 | 19,713 |
| Sales to public | - | 1,829 | 715 | 15,500 | - | 562 |
| Investment income | - | - | - | - | - | - |
| CSBG transferred | 7,101 | 39,372 | 28,117 | 48,301 | 33,301 | 72,773 |
| Unrestricted revenue transferred | - | 724 | 451 | (500) | (150) | (2,612) |
| Internal service fee | - | - | - | - | - | - |
| In-kind contributions | - | - | - | - | - | - |
| Total revenue and support | <u>27,669</u> | <u>110,636</u> | <u>51,198</u> | <u>188,913</u> | <u>93,877</u> | <u>128,604</u> |
| EXPENSES | | | | | | |
| Salaries and wages | 9,731 | 3,691 | 2,265 | 18,680 | 11,124 | 24,445 |
| Paid release | - | - | - | - | - | - |
| Employee fringes and payroll taxes | 2,967 | 1,241 | 360 | 9,538 | 4,180 | 15,920 |
| Enrollee wages | - | - | - | 1,521 | 122 | - |
| Enrollee fringes and payroll taxes | - | - | - | - | - | - |
| Contract services and fees | 2,428 | - | - | 9,461 | 2,504 | 1,644 |
| Training | - | - | - | - | 100 | - |
| Travel | 1,010 | 3,558 | 685 | 3,575 | 1,129 | 852 |
| Supplies and materials | 705 | 417 | 534 | 5,092 | 1,149 | 949 |
| Assistance to individuals | - | - | - | 277 | 114 | - |
| Occupancy | 2,411 | 19,386 | 5,513 | 63,376 | 15,967 | 76,461 |
| Printing | - | - | - | - | - | - |
| Equipment and repairs | - | - | - | 321 | 10 | 162 |
| Memberships | - | - | - | - | - | - |
| Telephone | 206 | 1,041 | 587 | 838 | 225 | - |
| Depreciation | 5,381 | 68,782 | 16,212 | 43,999 | 26,269 | - |
| Postage | 13 | 438 | 151 | 303 | - | 89 |
| Other direct costs | 159 | 1,376 | 1,036 | 823 | 265 | 2,385 |
| In-kind services and supplies | - | - | - | - | - | - |
| | <u>25,010</u> | <u>99,929</u> | <u>27,342</u> | <u>157,804</u> | <u>63,159</u> | <u>122,906</u> |
| Less indirect costs | <u>2,296</u> | <u>34,601</u> | <u>11,503</u> | <u>15,609</u> | <u>6,329</u> | <u>5,697</u> |
| Total expenses | <u>27,306</u> | <u>134,530</u> | <u>38,846</u> | <u>173,413</u> | <u>69,487</u> | <u>128,604</u> |
| CHANGE IN NET ASSETS, BEFORE TRANSFERS | 362 | (23,894) | 12,353 | 15,500 | 24,389 | - |
| Interfund transfers | <u>545,545</u> | <u>(354,783)</u> | <u>360,102</u> | <u>(909,853)</u> | <u>(488)</u> | <u>(4,513)</u> |
| CHANGE IN NET ASSETS | <u>545,908</u> | <u>(378,677)</u> | <u>372,455</u> | <u>(894,353)</u> | <u>23,901</u> | <u>(4,513)</u> |
| NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | - | 444,403 | - | 369,347 | - | 4,513 |
| Prior period adjustments | <u>-</u> | <u>(65,726)</u> | <u>-</u> | <u>525,006</u> | <u>-</u> | <u>-</u> |
| NET ASSETS, BEGINNING OF YEAR, AS RESTATED | <u>-</u> | <u>378,677</u> | <u>-</u> | <u>894,353</u> | <u>-</u> | <u>4,513</u> |
| NET ASSETS, END OF YEAR | <u>\$ 545,908</u> | <u>\$ -</u> | <u>\$ 372,455</u> | <u>\$ -</u> | <u>\$ 23,901</u> | <u>\$ -</u> |

| Washington Local Operations '07 | Greater C.R. Community Foundation '07 | Greater C.R. Community Foundation '06 |
|---------------------------------------|---|---|
| \$ 30,000 | \$ - | \$ - |
| - | - | - |
| 2,037 | 3,730 | 1,882 |
| 8,091 | - | - |
| 1,121 | - | - |
| - | - | - |
| 3 | - | - |
| 4 | - | - |
| - | - | - |
| - | - | - |
| <u>41,257</u> | <u>3,730</u> | <u>1,882</u> |
| 8,888 | - | - |
| - | - | - |
| 4,590 | - | - |
| - | - | - |
| - | - | - |
| 188 | - | - |
| - | - | - |
| 233 | - | - |
| 1,359 | - | - |
| 792 | 2,360 | 9,778 |
| 23,449 | - | - |
| - | - | - |
| 334 | - | - |
| - | - | - |
| - | - | - |
| 41 | - | - |
| 1,295 | - | - |
| - | - | - |
| <u>41,168</u> | <u>2,360</u> | <u>9,778</u> |
| 2,098 | - | - |
| <u>43,265</u> | <u>2,360</u> | <u>9,778</u> |
| (2,008) | 1,370 | (7,897) |
| <u>7,122</u> | - | - |
| <u>5,113</u> | <u>1,370</u> | <u>(7,897)</u> |
| - | - | 7,897 |
| - | - | - |
| - | - | 7,897 |
| <u>\$ 5,113</u> | <u>\$ 1,370</u> | <u>\$ -</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Head Start 07CCCH 6114-40
Contract Period 1/1/06-12/31/06

| | Approved Budget | Actual 1/1/06 - 9/30/06 |
|--|----------------------------|------------------------------------|
| REVENUE | | |
| U.S. Department of Health and Human Services | \$ 5,278,022 | \$ 4,159,187 |
| Program income and other support | | |
| In-kind contributions | 400,700 | 173,612 |
| Sub-total | 5,678,722 | 4,332,799 |
| Other program cash match support | 918,806 | 583,536 |
| TOTAL PROGRAM REVENUE | \$ 6,597,528 | \$ 4,916,336 |
| EXPENSE | | |
| Cash: | | |
| Personnel | \$ 2,434,543 | \$ 1,769,941 |
| Fringe benefits | 1,224,566 | 946,235 |
| Travel | 7,320 | 34,805 |
| Equipment | 6,501 | 9,305 |
| Supplies | 43,804 | 68,107 |
| Contractual | 462,640 | 313,643 |
| Facilities/construction | 5,000 | 7,139 |
| Other | 517,294 | 592,121 |
| Indirect costs | 576,354 | 417,891 |
| Total cash expense | 5,278,022 | 4,159,187 |
| Non-cash: | | |
| Donated services and activities | 168,200 | 20,574 |
| Donated salaries | 100,000 | 69,279 |
| Donated space | 132,500 | 83,759 |
| Total non-cash expense | 400,700 | 173,612 |
| Other program cash match expense | 918,806 | 583,536 |
| TOTAL PROGRAM EXPENSE | \$ 6,597,528 | \$ 4,916,335 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Head Start 07CH 6114-40
Contract Period 1/1/05-12/31/05

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-12/31/05</u> | <u>Actual 1/1/05-9/30/05</u> |
|--|----------------------------|---------------------|------------------------------------|----------------------------------|
| REVENUE | | | | |
| U.S. Department of Health and Human Services | \$ 5,364,608 | \$ 5,252,410 | \$ 1,440,576 | \$ 3,811,834 |
| Program income and other support | | - | (192) | 192 |
| In-kind contributions | <u>398,200</u> | <u>378,928</u> | <u>152,218</u> | <u>226,710</u> |
| Sub-total | 5,762,808 | 5,631,338 | 1,592,602 | 4,038,736 |
| Other program cash match support | <u>942,953</u> | <u>947,939</u> | <u>947,939</u> | - |
| TOTAL PROGRAM REVENUE | <u>\$ 6,705,761</u> | <u>\$ 6,579,278</u> | <u>\$ 2,540,542</u> | <u>\$ 4,038,736</u> |
| EXPENSE | | | | |
| Cash: | | | | |
| Personnel | \$ 2,339,358 | \$ 2,373,628 | \$ 589,291 | \$ 1,784,337 |
| Fringe benefits | 1,419,492 | 1,164,010 | 304,339 | 859,671 |
| Travel | 17,360 | 90,376 | 54,397 | 35,979 |
| Equipment | 36,533 | 56,621 | 38,278 | 18,343 |
| Supplies | 83,417 | 113,914 | 42,675 | 71,239 |
| Contractual | 450,784 | 465,783 | (22,023) | 487,806 |
| Facilities/construction | | | - | |
| Other | 304,749 | 364,290 | 298,475 | 65,815 |
| Indirect costs | <u>712,915</u> | <u>623,788</u> | <u>135,144</u> | <u>488,644</u> |
| Sub-total | 5,364,608 | 5,252,410 | 1,440,576 | 3,811,834 |
| Other program expense | <u>-</u> | <u>-</u> | <u>(192)</u> | <u>192</u> |
| Total cash expense | <u>5,364,608</u> | <u>5,252,410</u> | <u>1,440,384</u> | <u>3,812,026</u> |
| Non-cash and program match: | | | | |
| Donated services and activities | 68,200 | 34,699 | 9,820 | 24,879 |
| Donated partnership | 200,000 | 235,179 | 98,829 | 136,350 |
| Donated space | <u>130,000</u> | <u>109,050</u> | <u>43,569</u> | <u>65,481</u> |
| Sub-total | 398,200 | 378,928 | 152,218 | 226,710 |
| Other program cash match expense | <u>942,953</u> | <u>947,939</u> | <u>947,939</u> | - |
| Total in-kind contributions | <u>1,341,153</u> | <u>1,326,868</u> | <u>1,100,158</u> | <u>226,710</u> |
| Total contract expense | 6,705,761 | 6,579,278 | 2,540,542 | 4,038,736 |
| Depreciation | <u>-</u> | <u>6,766</u> | <u>1,394</u> | <u>5,372</u> |
| TOTAL PROGRAM EXPENSE | <u>\$ 6,705,761</u> | <u>\$ 6,586,044</u> | <u>\$ 2,541,936</u> | <u>\$ 4,044,108</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing HUD V Iowa City
Project Number IA26B501010
Contract Period 7/1/06 - 6/30/07

| | Approved Budget | Actual 7/1/06 - 9/30/06 |
|--|----------------------------|------------------------------------|
| REVENUE | | |
| Federal HUD revenue: | | |
| U.S. Department of Housing and Urban Development | \$ 213,828 | \$ 45,396 |
| Match requirement participants fees | 60,512 | 11,339 |
| TOTAL PROGRAM REVENUE | \$ 274,340 | \$ 56,735 |
| EXPENSE | | |
| Federal HUD expense: | | |
| Operating | \$ 115,201 | \$ 21,341 |
| Supportive Services | 88,445 | 21,509 |
| Administrative | 10,182 | 2,546 |
| Total HUD expense | 213,828 | 45,396 |
| Match requirement expense | 60,512 | 11,339 |
| TOTAL PROGRAM EXPENSE | \$ 274,340 | \$ 56,735 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing HUD II Cedar Rapids
Project Number IA26B501012
Contract Period 7/1/06 - 6/30/07

| | Approved Budget | Actual 7/1/06 - 9/30/06 |
|--|----------------------------|------------------------------------|
| REVENUE | | |
| Federal HUD revenue: | | |
| U.S. Department of Housing and Urban Development | \$ 466,173 | \$ 93,859 |
| Match requirement participants fees | 136,668 | 27,412 |
| TOTAL PROGRAM REVENUE | \$ 602,841 | \$ 121,271 |
| EXPENSE | | |
| Federal HUD expense: | | |
| Operating | \$ 308,078 | \$ 82,315 |
| Supportive Services | 135,898 | 33,408 |
| Administrative | 22,197 | 5,549 |
| Total HUD expense | 466,173 | 121,272 |
| Match requirement expense | 136,668 | 36,262 |
| TOTAL PROGRAM EXPENSE | \$ 602,841 | \$ 157,534 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing HUD Chronically Homeless
Project Number IA26B501025
Contract Period 7/1/06 - 6/30/07

| | Approved Budget | Actual 10/1/05-6/30/06 |
|--|----------------------------|-----------------------------------|
| REVENUE | | |
| Federal HUD revenue: | | |
| U.S. Department of Housing and Urban Development | \$ 26,750 | \$ 2,148 |
| Match requirement CSBG | 6,369 | 87 |
| TOTAL PROGRAM REVENUE | \$ 33,119 | \$ 2,235 |
| EXPENSE | | |
| Federal HUD expense: | | |
| Supportive Services | \$ 25,476 | \$ 1,789 |
| Administrative | 1,274 | 359 |
| Total HUD expense | 26,750 | 2,148 |
| Match requirement expense | 6,369 | 87 |
| TOTAL PROGRAM EXPENSE | \$ 33,119 | \$ 2,235 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing Project I - Year 19
Project Number IA26B501013
Contract Period 1/1/06 - 6/30/06

| | Approved Budget | Actual 1/1/06-6/30/06 |
|--|----------------------------|----------------------------------|
| REVENUE | | |
| Federal HUD revenue: | | |
| U.S. Department of Housing and Urban Development | \$ 8,608 | \$ 8,608 |
| Match requirement participants fees | 2,531 | 2,531 |
| Total HUD revenue | 11,139 | 11,139 |
| Total excess revenue | - | 2,277 |
| TOTAL PROGRAM REVENUE | \$ 11,139 | \$ 13,416 |
| EXPENSE | | |
| Federal HUD expense: | | |
| Operating | \$ 5,774 | \$ 5,774 |
| Supportive Services | 2,424 | 2,424 |
| Administrative | 410 | 410 |
| Total HUD expense | 8,608 | 8,608 |
| Match requirement expense | 2,531 | 2,531 |
| Program excess expense | - | 2,277 |
| TOTAL PROGRAM EXPENSE | \$ 11,139 | \$ 13,416 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing Project I Year 18
Project Number IA26B401010
Contract Period 1/1/05-12/31/05

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-12/31/05</u> | <u>Actual 1/1/05-9/30/05</u> |
|---|----------------------------|-------------------|------------------------------------|----------------------------------|
| REVENUE | | | | |
| Federal HUD revenue: | | | | |
| U.S. Department of Health and Human Services | \$ 17,215 | \$ 17,215 | \$ 1,912 | \$ 15,303 |
| Match requirement participants fees | 5,062 | 4,742 | 978 | 3,764 |
| Local cash match | - | 320 | 320 | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL PROGRAM REVENUE | \$ 22,277 | \$ 22,277 | \$ 3,210 | \$ 19,067 |
| EXPENSE | | | | |
| Federal HUD expense: | | | | |
| Operating | \$ 11,548 | \$ 11,548 | \$ 905 | \$ 10,643 |
| Supportive services | 4,848 | 4,848 | 955 | 3,893 |
| Administrative | 819 | 819 | 52 | 767 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total HUD expense | 17,215 | 17,215 | 1,912 | 15,303 |
| Match requirement expense | <u>5,062</u> | <u>5,062</u> | <u>1,298</u> | <u>3,764</u> |
| TOTAL PROGRAM EXPENSE | \$ 22,277 | \$ 22,277 | \$ 3,210 | \$ 19,067 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing Project II Year 17
Project Number IA26B301008
Contract Period 6/1/05-5/31/06

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-5/31/06</u> | <u>Actual 6/1/05-9/30/05</u> |
|---|----------------------------|------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| Federal HUD revenue: | | | | |
| U.S. Department of Housing and Urban Development | \$ 30,998 | \$ 30,998 | \$ 19,510 | \$ 11,488 |
| Match requirement participants fees | <u>8,343</u> | <u>8,343</u> | <u>5,669</u> | <u>2,674</u> |
| Total HUD revenue | 39,341 | 39,341 | 25,179 | 14,162 |
| Program excess revenue: | | | | |
| Participant fees | - | 377 | 377 | - |
| CSBG | <u>-</u> | <u>9,624</u> | <u>9,624</u> | <u>-</u> |
| TOTAL PROGRAM REVENUE | <u>\$ 39,341</u> | <u>\$ 49,342</u> | <u>\$ 35,180</u> | <u>\$ 14,162</u> |
| EXPENSE | | | | |
| Federal HUD expense: | | | | |
| Operating | \$ 11,543 | \$ 11,543 | \$ 4,058 | \$ 7,485 |
| Supportive services | 17,979 | 17,979 | 12,778 | 5,201 |
| Administrative | <u>1,476</u> | <u>1,476</u> | <u>-</u> | <u>1,476</u> |
| Total HUD expense | 30,998 | 30,998 | 16,836 | 14,162 |
| Match requirement expense | <u>8,343</u> | <u>8,343</u> | <u>8,343</u> | <u>-</u> |
| Total federal program expense | 39,341 | 39,341 | 25,179 | 14,162 |
| Program excess expense | <u>-</u> | <u>10,001</u> | <u>10,001</u> | <u>-</u> |
| TOTAL PROGRAM EXPENSE | <u>\$ 39,341</u> | <u>\$ 49,342</u> | <u>\$ 35,180</u> | <u>\$ 14,162</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing Rural America - Year XV
Project Number IA26B401004
Contract Period 1/1/05-12/31/05

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-12/31/05</u> | <u>Actual 1/1/05-9/30/05</u> |
|---|----------------------------|-------------------|------------------------------------|----------------------------------|
| REVENUE | | | | |
| Federal HUD revenue: | | | | |
| U.S. Department of Housing and Urban Development | \$ 329,499 | \$ 329,499 | \$ 65,111 | \$ 264,388 |
| Match requirement participants fees | 94,927 | 56,749 | 15,290 | 41,459 |
| CSBG | - | 10,374 | 10,374 | - |
| Total HUD revenue | 424,426 | 396,622 | 90,775 | 305,847 |
| Local cash match: | | | | |
| CDBG | - | 1,915 | 1,915 | - |
| HSOG | - | 25,889 | 25,889 | - |
| TOTAL PROGRAM REVENUE | <u>\$ 424,426</u> | <u>\$ 424,426</u> | <u>\$ 118,579</u> | <u>\$ 305,847</u> |
| EXPENSE | | | | |
| Federal HUD expense: | | | | |
| Operating | \$ 197,690 | \$ 197,690 | \$ 32,412 | \$ 165,278 |
| Supportive services | 116,119 | 116,119 | 32,492 | 83,627 |
| Administrative | 15,690 | 15,690 | 207 | 15,483 |
| Total HUD expense | 329,499 | 329,499 | 65,111 | 264,388 |
| Match requirement expense | 94,927 | 94,927 | 53,468 | 41,459 |
| TOTAL PROGRAM EXPENSE | <u>\$ 424,426</u> | <u>\$ 424,426</u> | <u>\$ 118,579</u> | <u>\$ 305,847</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing Rural America - Year XVI
Project Number IA26B501011
Contract Period 1/1/06 - 6/30/06

| | Approved Budget | Actual 1/1/06-6/30/06 |
|--|----------------------------|----------------------------------|
| REVENUE | | |
| Federal HUD revenue: | | |
| U.S. Department of Housing and Urban Development | \$ 164,749 | \$ 164,750 |
| Match requirement participants fees | 47,463 | 31,355 |
| CSBG | - | 14,739 |
| | 212,212 | 210,844 |
| Local cash match | - | 1,368 |
| TOTAL PROGRAM REVENUE | \$ 212,212 | \$ 212,212 |
| EXPENSE | | |
| Federal HUD expense: | | |
| Operating | \$ 98,845 | \$ 98,845 |
| Supportive Services | 58,060 | 58,060 |
| Administrative | 7,845 | 7,845 |
| | 164,750 | 164,750 |
| Match requirement expense | 47,462 | 47,462 |
| TOTAL PROGRAM EXPENSE | \$ 212,212 | \$ 212,212 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing HUD Inn Circle
Project Number IA26B401012
Contract Period 8/1/05-6/30/06

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-6/30/06</u> | <u>Actual 8/1/05-9/30/05</u> |
|---|----------------------------|-------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| Federal HUD revenue: | | | | |
| U.S. Department of Housing and Urban Development | \$ 197,150 | \$ 197,150 | \$ 164,537 | \$ 32,613 |
| Match requirement participants fees | 54,852 | 54,852 | 44,941 | 9,911 |
| CSBG | <u>3,957</u> | <u>3,957</u> | <u>3,957</u> | <u>-</u> |
| Total HUD revenue | 255,959 | 255,959 | 213,435 | 42,524 |
| CSBG Excess | <u>-</u> | <u>5,408</u> | <u>5,408</u> | <u>-</u> |
| TOTAL PROGRAM REVENUE | <u>\$ 255,959</u> | <u>\$ 261,367</u> | <u>\$ 218,843</u> | <u>\$ 42,524</u> |
| EXPENSE | | | | |
| Federal HUD expense: | | | | |
| Operating | \$ 142,421 | \$ 142,421 | \$ 122,049 | \$ 20,372 |
| Supportive services | 45,341 | 45,341 | 36,400 | 8,941 |
| Administrative | <u>9,388</u> | <u>9,388</u> | <u>6,088</u> | <u>3,300</u> |
| Total HUD expense | 197,150 | 197,150 | 164,537 | 32,613 |
| Match requirement expense | <u>58,809</u> | <u>58,809</u> | <u>48,898</u> | <u>9,911</u> |
| Total federal program expense | 255,959 | 255,959 | 213,435 | 42,524 |
| Program excess expense | <u>-</u> | <u>5,408</u> | <u>5,408</u> | <u>-</u> |
| TOTAL PROGRAM EXPENSE | <u>\$ 255,959</u> | <u>\$ 261,367</u> | <u>\$ 218,843</u> | <u>\$ 42,524</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Transitional Housing HUD V
Project Number IA26B401015
Contract Period 10/1/05 - 6/30/06

| | Approved Budget | Actual 10/1/05-6/30/06 |
|--|----------------------------|-----------------------------------|
| REVENUE | | |
| Federal HUD revenue: | | |
| U.S. Department of Housing and Urban Development | \$ 65,412 | \$ 65,412 |
| Match requirement | 18,521 | - |
| Participants fees | - | 11,338 |
| CSBG | - | 1,038 |
| | 83,933 | 77,788 |
| Local cash match | - | 6,145 |
| TOTAL PROGRAM REVENUE | \$ 83,933 | \$ 83,933 |
| EXPENSE | | |
| Federal HUD expense: | | |
| Operating | \$ 35,348 | \$ 35,348 |
| Supportive Services | 26,950 | 26,950 |
| Administrative | 3,114 | 3,114 |
| | 65,412 | 65,412 |
| Match requirement expense | 18,521 | 18,521 |
| TOTAL PROGRAM EXPENSE | \$ 83,933 | \$ 83,933 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Community Services Block Grant (CSBG 05-02CC)
Contract Period 10/1/04-12/31/05

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-12/31/05</u> | <u>Actual 10/1/04-9/30/05</u> |
|---------------------------------|----------------------------|------------------|------------------------------------|-----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 788,572 | \$ 788,572 | \$ 102,749 | \$ 685,823 |
| Transferred revenue: | | | | |
| Supportive housing | 446,795 | 469,903 | 50,180 | 419,722 |
| Comprehensive food | 59,100 | 65,523 | 27,542 | 37,981 |
| Comprehensive child care | 144,800 | 118,026 | (8,676) | 126,703 |
| Community services | 89,052 | 94,739 | 20,041 | 74,698 |
| Total transferred revenue | <u>739,747</u> | <u>748,191</u> | <u>89,087</u> | <u>659,104</u> |
| NET REVENUE | <u>\$ 48,825</u> | <u>\$ 40,381</u> | <u>\$ 13,662</u> | <u>\$ 26,719</u> |
| EXPENSE | | | | |
| Personnel costs | \$ 39,968 | \$ 33,377 | \$ 11,795 | \$ 21,582 |
| Travel | 1,250 | 812 | 207 | 605 |
| Consultants | - | - | (125) | 125 |
| Other costs | 44 | 43 | - | 43 |
| Indirect costs | 7,563 | 6,149 | 1,785 | 4,364 |
| TOTAL EXPENSE | <u>\$ 48,825</u> | <u>\$ 40,381</u> | <u>\$ 13,662</u> | <u>\$ 26,719</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Community Services Block Grant (CSBG 06-02CC)
Contract Period 10/1/05 - 12/31/06

| | Approved Budget | Actual 10/1/05-9/30/06 |
|---------------------------------|----------------------------|-----------------------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 782,851 | \$ 593,511 |
| Transferred revenue: | | |
| Trans Hsg CR | 87,000 | 101,715 |
| Trans Hsg IC | 58,700 | 74,397 |
| Trans Hsg Washington | 63,000 | 57,600 |
| Linn Perm Housing Homeless | 89,826 | 41,000 |
| Support Chronically Homeless | 3,135 | 1,800 |
| Counseling/Homeless Prevention | 8,500 | 6,981 |
| Maternal-Child Health Hawki | 6,000 | 1,545 |
| Rural Sr. Services/Vinton FRC | 16,000 | 24,000 |
| Head Start/Early Head Start | 170,000 | 135,842 |
| Second Harvest Food Res | 58,600 | 6,328 |
| Child Adult Food Program Homes | 36,000 | 22,432 |
| Liheap/A&R Utility Assist | 83,340 | 33,489 |
| Residential Env Services | 14,550 | 5,564 |
| Daycare Home Prov Dev | 18,800 | 14,800 |
| CCR&R | 5,500 | 21,967 |
| College Comm School Age | 13,800 | 9,338 |
| QCCI | 4,500 | 1,335 |
| Total transferred revenue | 737,251 | 560,133 |
| NET REVENUE | \$ 45,600 | \$ 33,378 |
| EXPENSE | | |
| Personnel costs | \$ 38,616 | \$ 28,778 |
| Travel | 800 | 198 |
| Consultants | - | - |
| Other costs | 322 | - |
| Indirect costs | 5,862 | 4,400 |
| TOTAL EXPENSE | \$ 45,600 | \$ 33,376 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Low Income Home Energy Assistance Program
Contract Number LIHEAP 06-02C
Contract Period 10/1/05 - 9/30/06

| | Approved Budget | Actual |
|-------------------------------------|----------------------------|---------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 3,979,728 | \$ 3,934,194 |
| EXPENSE | | |
| Regular assistance | \$ 3,434,669 | \$ 3,390,183 |
| Energy crisis intervention payments | 148,590 | 148,542 |
| Client services | 61,312 | 61,312 |
| Summer deliverable fuel payments | 117,949 | 117,949 |
| Administration costs | 216,208 | 216,208 |
| TOTAL EXPENSE | \$ 3,978,728 | \$ 3,934,194 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Weatherization Assistance Programs
Contract Number DOE 06-02C
Contract Period 4/1/06 - 3/31/07

| | <u>Approved Budget</u> | <u>Actual 4/1/06-9/30/06</u> |
|---------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 546,571 | \$ 379,778 |
| EXPENSE | | |
| Administration | \$ 31,231 | \$ 21,696 |
| Support | 133,607 | 42,834 |
| Health and safety | 103,068 | 74,190 |
| Labor | 139,332 | 150,052 |
| Materials | 139,333 | 91,006 |
| TOTAL EXPENSE | <u>\$ 546,571</u> | <u>\$ 379,778</u> |

Contract Number DOE 05-02C
Contract Period 4/1/05 - 3/31/06

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-3/31/06</u> | <u>Actual 4/1/05-9/30/05</u> |
|---------------------------------|----------------------------|-------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 530,467 | \$ 530,467 | \$ 188,260 | \$ 342,207 |
| EXPENSE | | | | |
| Administration | \$ 30,277 | \$ 30,277 | \$ 10,766 | \$ 19,511 |
| Support | 129,679 | 76,877 | 1,192 | 75,685 |
| Labor | 135,237 | 208,660 | 90,933 | 117,727 |
| Materials | 135,237 | 117,072 | 50,362 | 66,710 |
| Pollution occurrence insurance | - | - | - | - |
| Health and safety | 100,038 | 97,581 | 35,007 | 62,574 |
| TOTAL EXPENSE | <u>\$ 530,468</u> | <u>\$ 530,467</u> | <u>\$ 188,260</u> | <u>\$ 342,207</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Weatherization Assistance Programs
Contract Number HEAP 06A-02C
Contract Period 4/1/06 - 9/30/06

| | <u>Approved Budget</u> | <u>Actual 4/1/06-9/30/06</u> |
|---------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 846,876 | \$ 643,455 |
| EXPENSE | | |
| Administration | \$ 44,242 | \$ 13,447 |
| Support | 205,364 | 166,360 |
| Labor | 214,217 | 157,460 |
| Materials | 214,217 | 161,653 |
| Insurance | - | 20,944 |
| Health and safety | 158,836 | 117,613 |
| Training and equipment | 10,000 | 5,979 |
| Other | - | - |
| | <hr/> | <hr/> |
| Total federal expense | 846,876 | 643,455 |
| Depreciation - temp restricted | - | 9,209 |
| | <hr/> | <hr/> |
| TOTAL EXPENSE | \$ 846,876 | \$ 652,664 |

Contract Number HEAP 05-02C
Contract Period 4/1/05 - 3/31/06

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-3/31/06</u> | <u>Actual 4/1/05-9/30/05</u> |
|---------------------------------|----------------------------|-------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 862,956 | \$ 825,688 | \$ 313,089 | \$ 512,599 |
| EXPENSE | | | | |
| Administration | \$ 43,750 | \$ 39,819 | \$ 36,865 | \$ 2,954 |
| Support | 206,090 | 325,911 | 126,794 | 199,116 |
| Health and safety | 158,984 | 236,617 | 180,019 | 56,598 |
| Labor | 214,922 | 130,161 | 24,823 | 105,338 |
| Materials | 214,922 | 68,892 | (57,371) | 126,263 |
| Insurance | 14,288 | 14,288 | (3,809) | 18,097 |
| Training and equipment | 10,000 | 10,000 | 5,767 | 4,233 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total federal expense | 862,956 | 825,688 | 313,088 | 512,599 |
| Depreciation - temp restricted | - | 15,790 | 9,209 | 6,581 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| TOTAL EXPENSE | \$ 862,956 | \$ 841,478 | \$ 322,297 | \$ 519,180 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Weatherization Assistance Programs
IES Utilities, Inc.
Contract Number IP&L 06-02C
Contract Period 1/1/06 - 9/30/06

| | Approved Budget | Actual 1/1/06-9/30/06 |
|---------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 284,670 | \$ 177,476 |
| EXPENSE | | |
| Administration | \$ 14,233 | \$ 7,762 |
| Support | 28,467 | 18,863 |
| Labor | 120,985 | 67,794 |
| Materials | 120,985 | 83,058 |
| TOTAL EXPENSE | \$ 284,670 | \$ 177,477 |

Contract Number IP&L 05-02C
Contract Period 1/1/05 - 12/31/05

| | Approved Budget | Total | Actual 10/1/05-12/31/05 | Actual 1/1/05-9/30/05 |
|---------------------------------|----------------------------|--------------|------------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 274,670 | \$ 222,939 | \$ 63,683 | \$ 159,256 |
| EXPENSE | | | | |
| Administration | \$ 33,441 | \$ 33,441 | \$ 11,154 | \$ 22,287 |
| Support | 7,759 | 1,595 | (1) | 1,596 |
| Labor | 116,735 | 87,777 | 22,852 | 64,925 |
| Materials | 116,735 | 100,126 | 29,678 | 70,448 |
| TOTAL EXPENSE | \$ 274,670 | \$ 222,939 | \$ 63,683 | \$ 159,256 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Weatherization Assistance Programs
Mid American Energy Company
Contract Number MEC 06-02C
Contract Period 1/1/06 - 12/31/06

| | Approved Budget | Actual 1/1/06-9/30/06 |
|---------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 220,031 | \$ 220,031 |
| EXPENSE | | |
| Administration | \$ 11,002 | \$ 12,970 |
| Support | 22,003 | 20,035 |
| Labor | 93,513 | 108,811 |
| Materials | 93,513 | 78,215 |
| TOTAL EXPENSE | \$ 220,031 | \$ 220,031 |

Contract Number MEC 05-02C
Contract Period 1/1/05 - 12/31/05

| | Approved Budget | Total | Actual 10/1/05-12/31/05 | Actual 1/1/05-9/30/05 |
|---------------------------------|----------------------------|-------------------|------------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 220,025 | \$ 220,025 | \$ - | \$ 220,025 |
| EXPENSE | | | | |
| Administration | \$ 30,241 | \$ 30,241 | \$ - | \$ 30,241 |
| Support | 2,762 | 2,762 | - | 2,762 |
| Labor | 93,511 | 111,069 | - | 111,069 |
| Materials | 93,511 | 75,953 | - | 75,953 |
| TOTAL EXPENSE | \$ 220,025 | \$ 220,025 | \$ - | \$ 220,025 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Weatherization Assistance Programs
Aquila Natural Gas
Contract Number AQU-06-02C
Contract Period 1/1/06 - 12/31/06

| | Approved Budget | Actual 1/1/06-9/30/06 |
|---------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| Iowa Department of Human Rights | \$ 9,585 | \$ 9,585 |
| EXPENSE | | |
| Administration | \$ 479 | \$ 441 |
| Support | 958 | 996 |
| Labor | 4,074 | 5,113 |
| Materials | 4,074 | 3,035 |
| TOTAL EXPENSE | \$ 9,585 | \$ 9,585 |

Contract Number AQU-06-02C
Contract Period 1/1/05 - 12/31/05

| | Approved Budget | Total | Actual 10/1/05-12/31/05 | Actual 1/1/05-9/30/05 |
|---------------------------------|----------------------------|--------------|------------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 9,379 | \$ 9,379 | \$ - | \$ 9,379 |
| EXPENSE | | | | |
| Administration | \$ 1,089 | \$ 1,089 | \$ - | \$ 1,089 |
| Support | 318 | 318 | - | 318 |
| Labor | 3,986 | 4,248 | - | 4,248 |
| Materials | 3,986 | 3,724 | - | 3,724 |
| TOTAL EXPENSE | \$ 9,379 | \$ 9,379 | \$ - | \$ 9,379 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Child and Adult Care Food Program (CACFP) - Centers
Agreement Number 57-8013
Contract Period 10/1/05 - 9/30/06

| | Approved Budget | Actual |
|------------------------------|----------------------------|---------------|
| REVENUE | | |
| Iowa Department of Education | \$ 415,000 | \$ 408,020 |
| EXPENSE | | |
| Operating disbursements | \$ 352,675 | \$ 343,594 |
| Administrative disbursements | 62,325 | 64,426 |
| TOTAL EXPENSE | \$ 415,000 | \$ 408,020 |

Child and Adult Care Food Program (CACFP) - Home Providers
Agreement Number 57-8028
Contract Period 10/1/05 - 9/30/06

| | Approved Budget | Actual 10/1/05-9/30/06 |
|--|----------------------------|-----------------------------------|
| REVENUE | | |
| Iowa Department of Education | \$ 520,391 | \$ 567,840 |
| CSBG | 33,309 | 31,680 |
| TOTAL REVENUE | \$ 553,700 | \$ 599,520 |
| EXPENSE | | |
| Administration: | | |
| Labor and benefits | \$ 120,369 | \$ 119,146 |
| Travel and transportation | 3,160 | 3,546 |
| Office supplies | 5,003 | 5,118 |
| Contracted services | 300 | - |
| Communications | 155 | 152 |
| Training | 400 | 291 |
| Indirect costs | 17,913 | 18,025 |
| Total administration expense | 147,300 | 146,278 |
| Home providers - reimbursement of meals served | 406,400 | 453,397 |
| TOTAL EXPENSE | \$ 553,700 | \$ 599,675 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Shared Vision Child Development
Contract Period 7/1/06 - 6/30/07

| | Approved Budget | Actual 7/1/06-9/30/06 |
|---------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| Iowa Department of Education | \$ 417,157 | \$ 100,535 |
| United Way of East Central Iowa | 77,301 | 22,851 |
| TOTAL REVENUE | \$ 494,458 | \$ 123,386 |
| EXPENSE | | |
| Inn Circle Classroom | \$ 66,500 | \$ 20,792 |
| Project Success Classroom | 65,700 | 13,799 |
| Friendship Classroom | 65,700 | 18,362 |
| Benton County Classroom | 66,200 | 13,904 |
| First Christian | 31,658 | 6,004 |
| Coralville County Classroom | 66,500 | 16,457 |
| Waterfront Classroom | 66,500 | 15,480 |
| Washington Classroom | 65,700 | 14,937 |
| TOTAL EXPENSE | \$ 494,458 | \$ 119,735 |

Contract Period 7/1/05 - 6/30/06

| | Approved Budget | Total | Actual 10/1/05-6/30/06 | Actual 7/1/05-9/30/05 |
|---------------------------------|----------------------------|-------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Human Rights | \$ 418,099 | \$ 418,099 | \$ 324,458 | \$ 93,641 |
| United Way of East Central Iowa | 57,551 | 57,725 | 42,716 | 15,009 |
| TOTAL REVENUE | \$ 475,650 | \$ 475,824 | \$ 367,174 | \$ 108,650 |
| EXPENSE | | | | |
| Inn Circle Classroom | \$ 63,300 | \$ 58,660 | \$ 43,632 | \$ 15,028 |
| Project Success Classroom | 63,300 | 64,479 | 48,858 | 15,621 |
| Friendship Classroom | 63,300 | 67,596 | 53,013 | 14,583 |
| Benton County Classroom | 63,600 | 62,717 | 48,541 | 14,176 |
| First Christian | 32,000 | 37,203 | 28,813 | 8,390 |
| Coralville County Classroom | 63,550 | 62,021 | 47,763 | 14,258 |
| Waterfront Classroom | 63,300 | 60,931 | 46,638 | 14,293 |
| Washington Classroom | 63,300 | 62,217 | 49,916 | 12,301 |
| TOTAL EXPENSE | \$ 475,650 | \$ 475,824 | \$ 367,174 | \$ 108,650 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Special Supplemental Food Program for Women, Infants, and Children (WIC)
Contract Number 5886AO34
Contract Period 10/1/05 - 9/30/06

| | Approved Budget | Actual |
|---|----------------------------|---------------------|
| REVENUE | | |
| Cash: | | |
| Iowa Department of Education | \$ 541,969 | \$ 545,748 |
| Department of Agriculture | - | - |
| Total cash | 541,969 | 545,748 |
| Non cash: | | |
| Food coupons - Iowa Department of Public Health | 2,000,000 | 1,868,726 |
| TOTAL REVENUE | \$ 2,541,969 | \$ 2,414,474 |
| EXPENSE | | |
| Cash contract expense: | | |
| Personnel costs | \$ 363,138 | \$ 373,508 |
| Contracted | 58,178 | 44,060 |
| Equipment | - | - |
| Other | 64,144 | 70,225 |
| Indirect | 56,509 | 57,955 |
| Total cash contract expense | 541,969 | 545,748 |
| Non cash: | | |
| Food coupons distributed | 2,000,000 | 1,868,726 |
| TOTAL EXPENSE | \$ 2,541,969 | \$ 2,414,474 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Alliance Child Health
Contract Number 5886AO34
Contract Period 10/1/05 - 9/30/06

| | Approved Budget | Actual |
|-----------------------------|----------------------------|-------------------|
| REVENUE | | |
| Department of Public Health | \$ 83,514 | \$ 83,514 |
| Other | 216,586 | 212,431 |
| TOTAL REVENUE | \$ 300,100 | \$ 295,945 |

| | | |
|----------------------|-------------------|-------------------|
| EXPENSE | | |
| Personnel costs | \$ 245,293 | \$ 243,365 |
| Equipment | - | - |
| Other | 17,148 | 14,898 |
| Indirect | 37,659 | 37,682 |
| TOTAL EXPENSE | \$ 300,100 | \$ 295,945 |

Alliance Maternal Health

| | | |
|-----------------------------|------------------|------------------|
| REVENUE | | |
| Department of Public Health | \$ 46,549 | \$ 46,549 |
| Enhanced services | 32,051 | 30,561 |
| TOTAL REVENUE | \$ 78,600 | \$ 77,110 |

| | | |
|----------------------|------------------|------------------|
| EXPENSE | | |
| Personnel costs | \$ 64,014 | \$ 63,459 |
| Contracted providers | 3,500 | 2,550 |
| Other | 1,561 | 1,268 |
| Indirect | 9,525 | 9,833 |
| TOTAL EXPENSE | \$ 78,600 | \$ 77,110 |

Alliance Dental

| | | |
|-----------------------------|-----------|-----------|
| REVENUE | | |
| Department of Public Health | \$ 12,122 | \$ 12,122 |

| | | |
|----------------------|-----------|-----------|
| EXPENSE | | |
| Contracted providers | \$ 12,122 | \$ 12,122 |

Alliance Hawki

| | | |
|-----------------------------|-----------|-----------|
| REVENUE | | |
| Department of Public Health | \$ 18,563 | \$ 18,563 |

| | | |
|----------------------|------------------|------------------|
| EXPENSE | | |
| Personnel costs | \$ 16,142 | \$ 16,368 |
| Contracted providers | - | - |
| Equipment | 1,443 | 1,450 |
| Other | 978 | 745 |
| Indirect | - | - |
| TOTAL EXPENSE | \$ 18,563 | \$ 18,563 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Emergency Shelter Grant Program (ESGP)
Contract Number 06-ES-001
Contract Period 7/1/06 - 6/30/07

| | Approved Budget | Total |
|--------------------------------|----------------------------|------------------|
| REVENUE | | |
| HUD=ESGP - Iowa Institute | \$ 96,000 | \$ 36,378 |
| CSBG income | 3,125 | 2,731 |
| TOTAL REVENUE | \$ 99,125 | \$ 39,109 |
| EXPENSE | | |
| Administrative: | | |
| Indirect | \$ 3,125 | \$ 2,731 |
| Homeless prevention: | | |
| Salaries | 13,242 | 10,359 |
| Fringe | 7,758 | 6,043 |
| Total homeless prevention | 21,000 | 16,402 |
| Transitional housing - Linn: | | |
| Utilities | 25,000 | 7,523 |
| Transitional housing - Johnson | 25,000 | 6,204 |
| Inn Circle: | | |
| Utilities | 25,000 | 6,249 |
| TOTAL EXPENSE | \$ 99,125 | \$ 39,109 |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Homeless Shelter Operations
Contract Number 06-HES-002
Contract Period 7/1/05 - 6/30/06

| | <u>Approved Budget</u> | <u>Total</u> | <u>Actual 10/1/05-6/30/06</u> | <u>Actual 7/1/05-9/30/05</u> |
|---|----------------------------|------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| Iowa Department of Economic Development | \$ 69,474 | \$ 69,474 | \$ 54,850 | \$ 14,624 |
| EXPENSE | | | | |
| Operations: | | | | |
| Salaries | \$ 1,934 | \$ 1,927 | \$ 1,927 | \$ - |
| Pd release | 425 | - | - | - |
| Fringe | 658 | 1,091 | 1,091 | - |
| Indirect | 456 | 455 | 455 | - |
| Total operations | <u>3,473</u> | <u>3,473</u> | <u>3,473</u> | <u>-</u> |
| Homeless prevention: | | | | |
| Salaries | 12,195 | 12,063 | 10,046 | 2,017 |
| Pd release | 2,805 | - | (444) | 444 |
| Fringe | 4,122 | 7,066 | 6,381 | 685 |
| Indirect | 2,878 | 2,872 | 2,396 | 476 |
| Total homeless prevention | <u>22,000</u> | <u>22,001</u> | <u>18,379</u> | <u>3,622</u> |
| Transitional housing: | | | | |
| Utilities | <u>22,000</u> | <u>22,000</u> | <u>16,237</u> | <u>5,763</u> |
| Inn Circle: | | | | |
| Utilities | <u>22,000</u> | <u>22,000</u> | <u>16,761</u> | <u>5,239</u> |
| TOTAL EXPENSE | <u>\$ 69,473</u> | <u>\$ 69,474</u> | <u>\$ 54,850</u> | <u>\$ 14,624</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Community Development Block Grant
City of Cedar Rapids
Contract Period 7/1/05-6/30/06

| | <u>Approved Budget</u> | <u>Total Actual</u> | <u>Actual 10/1/05-6/30/06</u> | <u>Actual 7/1/05-9/30/05</u> |
|---|----------------------------|---------------------|-----------------------------------|----------------------------------|
| REVENUE | | | | |
| City of Cedar Rapids | \$ 54,764 | \$ 54,764 | \$ 43,876 | \$ 10,888 |
| CSBG | 8,352 | 3,465 | 1,984 | 1,480 |
| TOTAL REVENUE | <u>\$ 63,116</u> | <u>\$ 58,229</u> | <u>\$ 45,860</u> | <u>\$ 12,368</u> |
| EXPENSE | | | | |
| Linn County support services: | | | | |
| Salaries | \$ 34,059 | \$ 35,731 | \$ 26,671 | \$ 7,910 |
| Benefits | 15,483 | 14,229 | 12,590 | 2,789 |
| Contracted child care | 320 | 153 | 153 | - |
| Client assistance | 316 | 65 | 23 | 41 |
| Administrative | 8,352 | 3,465 | 2,846 | 619 |
| Total Linn County Support Services | <u>58,530</u> | <u>53,643</u> | <u>42,283</u> | <u>11,359</u> |
| Homeless Prevention: | | | | |
| Salaries | 2,940 | 2,894 | 2,247 | 647 |
| Fringe benefits | 1,646 | 1,692 | 1,330 | 362 |
| Total Homeless Prevention | <u>4,586</u> | <u>4,586</u> | <u>3,577</u> | <u>1,009</u> |
| TOTAL EXPENSE | <u>\$ 63,116</u> | <u>\$ 58,229</u> | <u>\$ 45,860</u> | <u>\$ 12,368</u> |

City of Cedar Rapids
Contract Period 7/1/06-6/30/07

| | <u>Approved Budget</u> | <u>Actual 7/1/06-9/30/06</u> |
|---|----------------------------|----------------------------------|
| REVENUE | | |
| City of Cedar Rapids | \$ 45,997 | \$ 10,777 |
| CSBG | 7,317 | 2,000 |
| TOTAL REVENUE | <u>\$ 53,314</u> | <u>\$ 12,777</u> |
| EXPENSE | | |
| Linn County support services: | | |
| Salaries | \$ 29,516 | \$ 5,713 |
| Benefits | 12,527 | 2,635 |
| Client assistance | 102 | 4 |
| Administrative | 7,317 | 573 |
| Total Linn County Support Services | <u>49,462</u> | <u>8,925</u> |
| Homeless Prevention: | | |
| Salaries | 2,429 | 2,429 |
| Fringe benefits | 1,423 | 1,423 |
| Total Homeless Prevention | <u>3,852</u> | <u>3,852</u> |
| TOTAL EXPENSE | <u>\$ 53,314</u> | <u>\$ 12,777</u> |

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF REVENUE AND EXPENSES COMPARED WITH BUDGET
Community Development Block Grant
Contract Period 7/1/06-6/30/07

City of Cedar Rapids Home Funds Pass Thru

| | Approved Budget | Actual 7/1/06-9/30/06 |
|------------------------------------|----------------------------|----------------------------------|
| REVENUE | | |
| City of Cedar Rapids | \$ 500,000 | \$ 155,564 |
| Participant fees | 78,000 | 3,581 |
| Total revenue | 578,000 | 159,145 |
| Other program cash match support | 125,000 | 2,235 |
| TOTAL CONTRACT REVENUE | \$ 703,000 | \$ 161,380 |
| EXPENSE | | |
| Administration | \$ 25,000 | \$ 2,695 |
| Operations | 111,000 | 3,732 |
| Acquisition/Rehab/Relocation | 410,000 | 148,171 |
| Design/Testing/Development | 32,000 | 4,547 |
| Total Linn County Support Services | 578,000 | 159,145 |
| Other program cash match expense | 125,000 | 2,235 |
| TOTAL EXPENSE | \$ 703,000 | \$ 161,380 |

Board of Directors, Audit Committee,
and Management
Hawkeye Area Community Action Program, Inc.
Hiawatha, Iowa

In planning and performing our audit of the financial statements of Hawkeye Area Community Action Program, Inc. for the year ended September 30, 2006, we considered the Organization's internal control 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. Our consideration of the internal control was only a part of our overall audit plan and was not intended to be a complete review of all of the Organization's accounting procedures, therefore, it would not necessarily disclose all reportable conditions or other comments for improvement. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

As a result of the procedures described above, we have the following comments and recommendations for improvement.

Alternative to Unemployment Taxes

Nonprofit organizations are required to pay for unemployment claims in one of two ways:

- 1) Through state unemployment insurance tax, or
- 2) As a reimbursing employer paying the state only for claims paid out to former employees.

Many nonprofit organizations have not considered the benefits of the second option. It is not unusual for a nonprofit to pay much more in taxes than the state is paying for its claims. An alternative to consider, in order to pocket the difference between the amount paid in unemployment tax and amount of actual claims, is joining with an unemployment grantor trust. Members of grantor trusts pool their resources to pay only the claims incurred by their members. Substantial savings are possible. We recommend that the Organization investigate whether this would be a beneficial alternative.

Split-Funded Medical Expense Reimbursement Plan

An option to consider to save on health insurance costs is a split-funded medical expense reimbursement plan. The concept of these plans is to allow employees to continue to enjoy the benefits of a health insurance plan with a lower deductible and lower out-of-pocket maximum, while at the same time the employer is contracting with an insurer for a group policy with a higher deductible and higher out-of-pocket maximum. The employer reimburses the employee, through a third-party administrator, the difference between the higher and lower insurance deductibles and annual out-of-pocket maximums utilizing a method known as "split funding". The third-party administrator is typically able to charge less than the additional premiums would have been for the lower-deductible policy. We have seen this result in savings for some local organizations and recommend that HACAP explore this option.

Cash Management

The Organization had \$3.1 million in cash at September 30, 2006, with most of it in high yield accounts. If the cash flow needs of the Organization are being met and annual operations continue to provide cash as they have recently, we recommend consideration of other investment vehicles to maximize the yield from earnings. The Organization may want to consider additional certificates of deposit with staggered maturity dates to take advantage of higher interest rates while also maintaining some degree of liquidity.

NAIER Membership

We recommend that the Organization analyze whether or not a membership in the National Association for the Exchange of Industrial Resources (NAIER) would be beneficial. Members have access to new, free merchandise, donated by corporations, for the cost of their annual membership. More information is available at www.naier.org.

Fraud Risk Control

The Organization's current fidelity bond coverage is \$100,000. We would encourage you to reevaluate whether or not this is still considered to be an adequate level of coverage. It may have been quite some time since this was last considered. In addition, we would encourage you to consider adopting a policy requiring background investigations before hiring any new finance personnel.

Fixed Asset Software

The Organization is currently utilizing excel spreadsheets for depreciation schedules to record and account for the depreciation of a significant amount of fixed assets. We understand that fixed asset software has been purchased but not yet implemented, and we would encourage the conversion of the depreciation schedules to the new software as soon as possible. When this conversion takes place, we recommend that assets be grouped by fund to facilitate the matching of the depreciation schedules to the general ledger.

Weatherization Program Accruals

We recommend that the Organization implement a process to obtain invoices from contractors doing work for the weatherization program, for work completed through each September 30, in order to determine an accurate accrual of accounts payable at the end of the fiscal year.

Monthly Controls

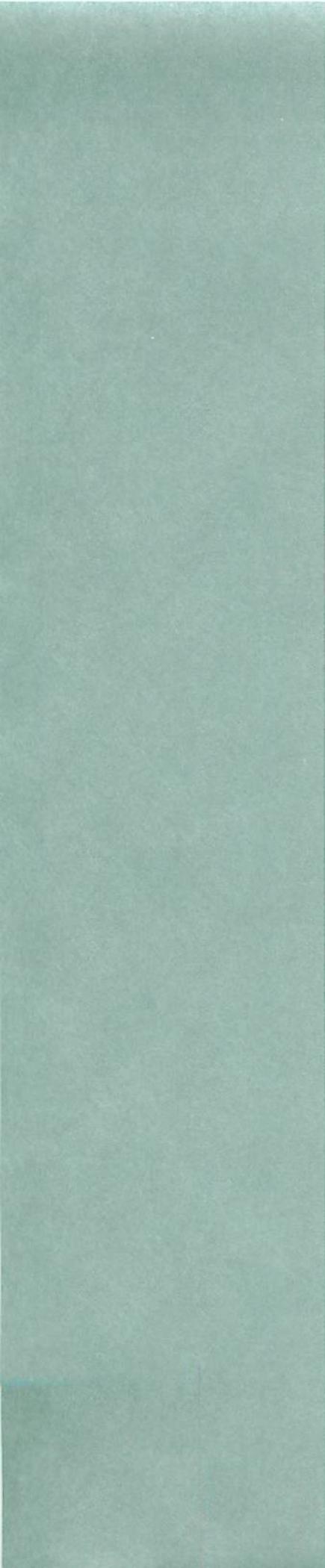
We recommend that a monthly process be implemented to verify the following:

- Bank reconciliation balances match to general ledger balances
- Total net assets still agree to the audited financial statement balance
- Interfund transfers net to zero
- Indirect costs net to zero
- Internal match adjustments net to zero

These comments and suggestions are intended solely for the information and use of the Board of Directors, Audit Committee, management and others within the Organization and are not intended to be and should not be used by anyone other than these specified parties. We appreciate the opportunity to present these matters and are available to provide any assistance in implementing any of the recommendations.

Clifton Gunderson LLP

Cedar Rapids, Iowa
May 2, 2007



HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
Hiawatha, Iowa

INDEPENDENT AUDITOR'S REPORTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2006



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

Board of Directors
Hawkeye Area Community Action Program, Inc.
Hiawatha, Iowa

We have audited the financial statements of Hawkeye Area Community Action Program, Inc. as of and for the year ended September 30, 2006, and have issued our report thereon dated May 2, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization'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 an opinion 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Cedar Rapids, Iowa
May 2, 2007

**Independent Auditor's Report on Compliance with
Requirements Applicable to Major Programs and on Internal
Control Over Compliance and Schedule of Expenditures of Federal
Awards in Accordance with OMB Circular A-133**

Board of Directors
Hawkeye Area Community Action Program, Inc.
Hiawatha, Iowa

Compliance

We have audited the compliance of Hawkeye Area Community Action Program, Inc. 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, 2006. Hawkeye Area Community Action Program, Inc.'s major federal programs are identified in the summary of auditor's 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 program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Hawkeye Area Community Action Program, Inc.'s compliance based on our audit.

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 Hawkeye Area Community Action Program, Inc.'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 Hawkeye Area Community Action Program, Inc.'s compliance with those requirements.

In our opinion, Hawkeye Area Community Action Program, Inc., complied in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the Hawkeye Area Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Hawkeye Area Community Action Program, Inc.'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 the internal control over compliance in accordance with OMB Circular A-133.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Hawkeye Area Community Action Program, Inc. as of and for the year ended September 30, 2006, and have issued our report thereon dated May 2, 2007. Our audit was performed for the purpose of forming an opinion on the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Clifton Henderson LLP

Cedar Rapids, Iowa
August 23, 2007,
except for the portion of the report pertaining to the
Schedule of Expenditures of Federal Awards,
as to which the date is May 2, 2007

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2006

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA * Number | Budgeted/ Award Amount | Federal Expenditures |
|---|------------------|------------------------------|-------------------------|
| U.S. Department of Health and Human Services: | | | |
| Direct Awards: | | | |
| Head Start - 2005 | 93.600 | \$ 5,364,608 | \$ 1,440,576 |
| Head Start - 2006 | 93.600 | 5,278,022 | 4,159,187 |
| Total CFDA # 93.600 | | | <u>5,599,763</u> |
| Passed Through Iowa Department of Human Rights: | | | |
| Community Services Block Grant 05-02-C | 93.569 | 788,572 | 102,749 |
| Community Services Block Grant 06-02-C | 93.569 | 782,851 | 593,511 |
| Total CFDA # 93.569 | | | <u>696,260</u> |
| Low Income Home Energy Assistance Program | | | |
| HEAP - Weatherization - 05 | 93.568 | 3,979,728 | 3,934,194 |
| HEAP - Weatherization - 06 | 93.568 | 862,956 | 313,089 |
| HEAP - Weatherization - 06 | 93.568 | 846,876 | 643,455 |
| Total CFDA # 93.568 | | | <u>4,890,738</u> |
| Passed Through Iowa Department of Human Services: | | | |
| Child Care Block Grant Wrap Around - 06 | 93.575 | 599,990 | 597,864 |
| Child Care Block Grant Wrap Around - 07 | 93.575 | 683,990 | 58,686 |
| Passed Through Iowa East Central T.R.A.I.N.: | | | |
| Child Care Resource & Referral and Provider Training - 06 | 93.596 | 82,702 | 72,978 |
| Child Care Resource & Referral and Provider Training - 07 | 93.596 | 95,652 | 20,425 |
| Total Cluster CFDA # 93.575 and # 93.596 | | | <u>749,953</u> |
| Passed Through Heritage Area Agency on Aging: | | | |
| Nutrition and Outreach Program - 06 | 93.045 | 132,596 | 83,303 |
| Nutrition and Outreach Program - 06 | 93.045 | 17,715 | 14,885 |
| Nutrition and Outreach Program - 07 | 93.045 | 120,557 | 27,386 |
| Nutrition and Outreach Program - 07 | 93.045 | 2,575 | 3,863 |
| Total CFDA # 93.045 | | | <u>129,437</u> |
| Passed Through Iowa Department of Public Health: | | | |
| Alliance Child Health | 93.994 | 83,514 | 83,514 |
| Alliance Maternal Health | 93.994 | 46,549 | 46,549 |
| Total CFDA # 93.994 | | | <u>130,063</u> |
| Immunization Project | | | |
| Immunization Project - 05 | 93.268 | 5,665 | 2,383 |
| Immunization Project - 06 | 93.268 | 5,150 | 2,623 |
| Total CFDA # 93.268 | | | <u>5,006</u> |
| Total U.S. Department of Health and Human Services | | | <u>12,201,220</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2006

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA * Number | Budgeted/ Award Amount | Federal Expenditures |
|---|------------------|------------------------------|-------------------------|
| U.S. Department of Agriculture: | | | |
| Passed Through Iowa Department of Public Health: | | | |
| Special Supplemental Food Program for Women, Infants and Children (WIC): | | | |
| Cash | 10.557 | 541,969 | 545,748 |
| Noncash - Food Coupons | 10.557 | N/A | 1,868,726 |
| Total CFDA # 10.557 | | | <u>2,414,474</u> |
| Passed Through Iowa Department of Education: | | | |
| Child and Adult Care Food Program - Centers | 10.558 | N/A | 408,020 |
| Child and Adult Care Food Program - Home Providers | 10.558 | N/A | 568,340 |
| Total CFDA # 10.558 | | | <u>976,360</u> |
| Passed Through Iowa Department of Human Services: | | | |
| Emergency Food Assistance Program - Commodities | 10.569 | N/A | 182,723 |
| Total U.S. Department of Agriculture | | | <u>3,573,557</u> |
| U.S. Department of Housing and Urban Development: | | | |
| Direct Awards: | | | |
| Transitional Housing Project I -Year 17 | 14.235 | 17,215 | 1,912 |
| Transitional Housing Project I -Year 18 | 14.235 | 8,608 | 8,608 |
| Supportive Housing Program II - 17 | 14.235 | 30,998 | 19,510 |
| Supportive Housing Program II - 18 | 14.235 | 466,173 | 93,859 |
| Rural America - Year 15 | 14.235 | 329,499 | 65,111 |
| Rural America - Year 16 | 14.235 | 164,750 | 164,750 |
| HUD Inn Circle - 06 | 14.235 | 197,150 | 164,537 |
| HUD V - 06 | 14.235 | 65,412 | 65,412 |
| HUD V - 07 | 14.235 | 213,828 | 45,396 |
| Chronically Homeless | 14.235 | 53,500 | 2,148 |
| Total CFDA # 14.235 | | | <u>631,243</u> |
| Passed Through City of Iowa City: | | | |
| HOME Investment Partnership - Loan | 14.239 | 128,000 | 116,267 |
| HOME Investment Partnership - Loan | 14.239 | 148,000 | 141,833 |
| HOME Investment Partnership - Loan | 14.239 | 300,000 | 228,500 |
| Passed Through City of Cedar Rapids: | | | |
| HOME Investment Partnership - Loan | 14.239 | 5,907 | 1,624 |
| HOME Investment Partnership | 14.239 | 500,000 | 155,564 |
| Total CFDA # 14.239 | | | <u>643,788</u> |

(continued)

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2006

| Federal Grantor/Pass-Through Grantor/Program Title | CFDA * | Budgeted/ Award Amount | Federal Expenditures |
|--|--------|------------------------------|-------------------------|
| U.S. Department of Housing and Urban Development: (continued) | | | |
| Passed Through the City of Cedar Rapids: | | | |
| Community Development Block Grant - 06 | 14.219 | 54,764 | 43,876 |
| Community Development Block Grant - 07 | 14.219 | 45,997 | 10,777 |
| Total CFDA # 14.219 | | | <u>54,653</u> |
| Cedar Rapids Lead Project | 14.900 | 583,255 | <u>104,778</u> |
| Passed Through the Iowa Finance Authority: | | | |
| Emergency Shelter Grant Program | 14.231 | 96,000 | <u>36,378</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>1,470,840</u> |
| U.S. Department of Energy: | | | |
| Passed Through Iowa Department of Human Rights: | | | |
| Weatherization Assistance DOE - 05 | 81.042 | 530,467 | 188,260 |
| Weatherization Assistance DOE - 06 | 81.042 | 546,571 | <u>379,778</u> |
| Total U.S. Department of Energy and CFDA # 81.042 | | | <u>568,038</u> |
| U.S. Department of Labor: | | | |
| Passed Through Heritage Agency on Aging: | | | |
| Senior Community Services Employment Program - 06 | 17.235 | 300,389 | 222,832 |
| Senior Community Services Employment Program - 07 | 17.235 | 266,146 | <u>76,479</u> |
| Total U.S. Department of Labor and CFDA # 17.235 | | | <u>299,311</u> |
| U.S. Department of Homeland Security: | | | |
| Emergency Food and Shelter National Board Program - 05 | 97.024 | 4,185 | 871 |
| Emergency Food and Shelter National Board Program - 06 | 97.024 | 4,603 | <u>4,603</u> |
| Total U.S. Department of Homeland Security and CFDA # 97.024 | | | <u>5,474</u> |
| Total Federal Awards | | | <u>\$ 18,118,440</u> |

*Catalog of Federal Domestic Assistance Number

This information should be read only in connection with the
notes to schedule of expenditure of federal awards.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Nonmonetary Assistance

Nonmonetary assistance is reported in the schedule at the fair market value of the nonmonetary assistance received and disbursed.

NOTE 2 - LOAN GUARANTEES OUTSTANDING

The value of federal awards expended in the form of loan guarantees was \$488,224 which was the balance of the outstanding HOME Investment Partnership loans at September 30, 2006.

This information is an integral part of the accompanying
schedule of expenditures of federal awards.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2006

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Reportable condition(s) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major program:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|-----------------------|---|
| 93.600 | Head Start |

Dollar threshold used to distinguish between type A and type B programs: \$ 543,553

Auditee qualified as low-risk auditee? _____ X Yes _____ No

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended September 30, 2006

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS

None.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
CORRECTIVE ACTION PLAN
Year Ended September 30, 2006

None.

HAWKEYE AREA COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF STATUS OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2006

There were no prior year audit findings.