

FINANCIAL STATEMENTS
OF
CENTERS AGAINST ABUSE AND
SEXUAL ASSAULT
SPENCER, IOWA
AT
JUNE 30, 2010 AND 2009
WITH INDEPENDENT AUDITORS' REPORT THEREON

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CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA

OFFICIALS AND BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>EXPIRES</u>
Deb Eastin	President	2012
Ramona Schuett	Vice-President	Resigned 2010
Ann Holck	Treasurer	2010
Jen Anderson	Secretary	Resigned 2010
Jean Miller	Board Member	2011
Cara Gierlock	Board Member	2012
Dorothy Olson	Board Member	Resigned 2010
Martin Sievers	Board Member	2010
Betty Waller	Board Member	Resigned 2010
Bev Juhl	Board Member	2012
Dana Calandrino	Board Member	2013
Rhonda Dean	Executive Director	Indefinite

BURKHARDT & DAWSON
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Centers Against Abuse and Sexual Assault
Spencer, Iowa

We have audited the accompanying statements of financial position of the Centers Against Abuse and Sexual Assault (a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses and cash flows for the years ended June 30, 2010 and 2009. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Centers Against Abuse and Sexual Assault at June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 30, 2010 on our consideration of Centers Against Abuse and Sexual Assault's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

BURKHARDT & DAWSON, CPA's


Burkhardt & Dawson, CPA's
Certified Public Accountants

August 30, 2010

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CURRENT ASSETS:		
Cash in Bank and Cash on Hand	\$ 128,885	\$ 70,003
Certificates of Deposit	31,432	30,794
Receivables - Federal Grants	46,035	21,522
Receivables - State Grants	22,825	30,540
Accrued Interest Receivable	67	111
Receivables - COBRA	353	0
Prepaid Expenses	<u>908</u>	<u>1,801</u>
TOTAL CURRENT ASSETS	\$ <u>230,505</u>	\$ <u>154,771</u>
PROPERTY AND EQUIPMENT:		
Land	\$ 107,500	\$ 107,500
Buildings and Improvements	813,080	802,152
Equipment and Furniture	<u>128,191</u>	<u>116,128</u>
TOTAL	\$1,048,771	\$1,025,780
LESS - Accumulated Depreciation	<u>(426,810)</u>	<u>(394,137)</u>
NET PROPERTY AND EQUIPMENT	\$ <u>621,961</u>	\$ <u>631,643</u>
TOTAL ASSETS	\$ <u>852,466</u>	\$ <u>786,414</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 10,004	\$ 6,345
Accrued Payroll Taxes and Benefits Payable	2,988	6,954
Accrued Salaries Payable	11,299	0
Accrued Compensated Absences Payable	<u>11,989</u>	<u>21,783</u>
TOTAL CURRENT LIABILITIES	\$ <u>36,280</u>	\$ <u>35,082</u>
NET ASSETS:		
Unrestricted	\$ 808,844	\$ 744,092
Temporarily Restricted by Donors	<u>7,342</u>	<u>7,240</u>
TOTAL NET ASSETS	\$ <u>816,186</u>	\$ <u>751,332</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>852,466</u>	\$ <u>786,414</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUES:		
SUPPORT:		
Grants:		
Federal	\$ 274,675	\$ 185,373
State	212,319	278,878
Contributions:		
Local Governments	33,871	37,242
Other	121,246	107,540
Value of Contributed Services and Materials	120,429	121,489
TOTAL PUBLIC SUPPORT	<u>\$ 762,540</u>	<u>\$ 730,522</u>
REVENUES:		
Sales	\$ 65,080	\$ 80,284
Interest	979	874
Miscellaneous	0	3,636
TOTAL REVENUES	<u>\$ 66,059</u>	<u>\$ 84,794</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 1,410</u>	<u>\$ 553</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 830,009</u>	<u>\$ 815,869</u>
EXPENSES:		
PROGRAM SERVICES:		
Shelter Expenses	\$ 719,623	\$ 732,883
SUPPORT SERVICES:		
General and Administration	45,633	50,968
TOTAL EXPENSES	<u>\$ 765,256</u>	<u>\$ 783,851</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 64,753</u>	<u>\$ 32,018</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	\$ 1,500	\$ 350
Interest	11	19
Net Assets Released from Donor Restrictions	<u>(1,410)</u>	<u>(553)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 101</u>	<u>\$ (184)</u>
TOTAL CHANGE IN NET ASSETS	\$ 64,854	\$ 31,834
NET ASSETS AT BEGINNING OF PERIOD	<u>751,332</u>	<u>719,498</u>
NET ASSETS AT END OF PERIOD	<u>\$ 816,186</u>	<u>\$ 751,332</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	PROGRAM EXPENSES	GENERAL AND ADMINI- STRATIVE	2010 TOTAL	2009 TOTAL
Salaries	\$366,038	\$ 15,920	\$381,958	\$390,589
Payroll Taxes	31,981	1,391	33,372	32,420
Fringe Benefits	19,153	833	19,986	17,837
Total Personnel Expenses	\$417,172	\$ 18,144	\$435,316	\$440,846
Contributed Services and Materials	120,429	0	120,429	121,489
Dues and Subscriptions	3,627	0	3,627	2,864
Fundraising Expenses	19,246	0	19,246	19,715
Insurance	17,907	0	17,907	20,833
Interest	1,638	0	1,638	374
Miscellaneous	3,091	0	3,091	10,058
Supplies	9,919	1,226	11,145	12,565
Postage	1,262	421	1,683	0
Printing and Advertisements	1,534	189	1,723	411
Professional Fees	0	16,210	16,210	23,730
Rent	7,620	0	7,620	7,180
Equipment Rent	1,332	0	1,332	1,800
Repairs	15,595	0	15,595	16,656
Shelter Expenses	2,724	0	2,724	1,301
Staff Training	3,784	0	3,784	2,192
Telephone	8,724	1,078	9,802	9,021
Travel	25,094	8,365	33,459	28,905
Utilities	21,821	0	21,821	18,503
Homeless Prevention	4,431	0	4,431	12,822
TOTAL EXPENSES BEFORE DEPRECIATION	\$686,950	\$ 45,633	\$732,583	\$751,265
Depreciation	32,673	0	32,673	32,586
TOTAL EXPENSES	<u>\$719,623</u>	<u>\$ 45,633</u>	<u>\$765,256</u>	<u>\$783,851</u>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received From Federal Grants	\$ 250,162	\$ 198,050
Cash Received From State Grants	220,034	252,562
Cash Received From Local Governments	33,871	37,242
Cash Received From Sales	65,080	80,284
Interest Received	1,034	906
Other Receipts	0	3,636
Donations Received	122,746	107,890
Cash Paid to Employees and Suppliers	(608,778)	(644,316)
Interest Paid	<u>(1,638)</u>	<u>(374)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 82,511</u>	<u>\$ 35,880</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal Repayments	\$ (15,000)	\$ (146,000)
Proceeds From Loans	15,000	146,000
Loan Repayment from Related Party	<u>0</u>	<u>1,852</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ 0</u>	<u>\$ 1,852</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Capital Assets	\$ (22,991)	\$ (852)
Increase in Certificates of Deposit	<u>(638)</u>	<u>(857)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>\$ (23,629)</u>	<u>\$ (1,709)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 58,882	\$ 36,023
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>70,003</u>	<u>33,980</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 128,885</u>	<u>\$ 70,003</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
 SPENCER, IOWA
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 64,854	\$ 31,834
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	32,673	32,586
Changes in Assets and Liabilities:		
(Increase) in Accounts Receivable	(17,151)	(13,639)
Decrease in Accrued Interest Receivable	44	13
Decrease in Prepaid Expenses	893	702
Increase (Decrease) in Accounts Payable	3,659	(3,073)
Increase (Decrease) in Salaries and Benefits Payable	7,333	(3,979)
(Decrease) in Compensated Absences Payable	<u>(9,794)</u>	<u>(8,564)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 82,511</u>	<u>\$ 35,880</u>

NON-CASH ACTIVITIES:

During the fiscal years June 30, 2010 and 2009, the Center received numerous donated services and materials that were used in the operations of the shelters.

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Centers Against Abuse and Sexual Assault (CAASA) was organized as a nonprofit organization October 11, 1984, to provide services for families in a four-county area through assistance of federal, state, and local funds. The Center merged its operations with Council Against Domestic Abuse & Sexual Assault, Inc. (CADA/SA) located in Cherokee, Iowa effective July 1, 2006. CADA/SA served another four county area. The Executive Director of CAASA became the Executive Director of the new organization for eight counties. A new board was formed from the two prior boards to govern the organization. The mission of the Center is to eliminate personal, institutional, and societal violence against individuals by empowering victims/survivors and providing supportive programs and services.

Financial Statement Presentation

The accompanying financial statements have been presented and prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, if measurable.

The Center has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Center is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As permitted by the statement, the Center does not use fund accounting.

Contributions

The Center has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. In addition, when a donor restriction is satisfied in the same year the contribution is received, the contribution is shown on the statement of activities as unrestricted support.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAASA accepts donations of used furniture for restoration and miscellaneous household goods for subsequent sale. This program provides funds for currently unmet client needs. Revenue is recorded at the time of sale. Donations are considered to be of no value until they are sold. CAASA also received donations of food and miscellaneous personal items for client use.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Center considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2010 and 2009.

Property and Equipment

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method for financial reporting and income tax purposes. Expenditures for maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Depreciated costs, estimated lives, and depreciation expense as of and for the years ended June 30, 2010 and 2009 are as follows:

CLASSES OF ASSETS	DEPRECIATED COSTS		ESTI- MATED LIVES	DEPRECIATION EXPENSE	
	2010	2009		2010	2009
Land	\$107,500	\$107,500	-	\$ 0	\$ 0
Buildings and Improvements	495,374	513,472	10-40	29,026	28,963
Equipment and Furniture	<u>19,087</u>	<u>10,671</u>	5-7	<u>3,647</u>	<u>3,623</u>
	<u>\$621,961</u>	<u>\$631,643</u>		<u>\$ 32,673</u>	<u>\$ 32,586</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Centers Against Abuse and Sexual Assault is a nonprofit organization that is exempt from income taxes under Code Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

Contributed Services

A number of volunteers donate services that create or enhance nonfinancial assets or that require specialized skills, and would typically need to be purchased if not provided by donation. These donated services are recorded at their fair value in the period received. The value of donated services is reflected in the financial statements as Donated Services and an offsetting expense, In-Kind Expenditure - Volunteers. Donated services are required to meet match requirements of certain grants. For the years ended June 30, 2010 and 2009 CAASA recognized \$104,857 and \$99,594, respectively as the value of volunteer services.

Compensated Absences

Center employees accumulate a limited amount of earned but unused vacation leave hours for subsequent use or for payment upon termination, retirement or death. Amounts representing the cost of compensated absences are recorded as a liability and have been computed based on rates of pay in effect at June 30, 2010 and 2009.

Date of Management's Review

Management has evaluated subsequent events through August 30, 2010, the date which the financial statements were issued.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations

The Center is heavily reliant on federal, state and local funding.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS

During the fiscal year ended June 30, 2009, the Center leased new office space in Storm Lake. The lease is for three years, but it may be terminated by either party after one year. Contingent rent payments at June 30, 2010 and June 30, 2009 are \$6,600 and \$4,400, respectively.

Previously, the Center rented space for the Storm Lake office under an operating lease. The lease was on a month to month basis. The Center also rented storage units in Cherokee and Spencer. The operating lease expense is \$1,020 and \$2,780 for the years ended June 30, 2010 and 2009, respectively.

NOTE 3 - GOVERNMENT ASSISTANCE

During the years ended June 30, 2010 and 2009, the Center reported the following federal and state government support:

	<u>2010</u>	<u>2009</u>
Federal:		
Victims of Crime Assistance (VOCA)	\$169,679	\$109,784
Violence Against Women Act (VAWA)	45,057	25,729
Family Violence Prevention (FV)	51,404	49,860
Sexual Assault Services (SASP)	<u>8,535</u>	<u>0</u>
	<u>\$274,675</u>	<u>\$185,373</u>
State:		
Domestic Abuse	\$100,383	\$139,200
Sexual Assault	44,823	62,108
Emergency Shelter Grant Program (ESGP) and Homeless Shelter Operations Grants Program (HSOG)	40,014	45,261
Rape Prevention Education (RPE)	3,107	13,520
Prevent Child Abuse (PCA)	<u>23,992</u>	<u>18,789</u>
	<u>\$212,319</u>	<u>\$278,878</u>

NOTE 4 - RETIREMENT PLAN

The Center maintains a Savings Incentive Match Plan for Employees (SIMPLE IRA) retirement plan for all eligible employees. The Company matches employee contributions dollar for dollar up to a maximum of 3% of the employee's compensation. The Center's expense relating to matching contributions totaled \$4,821 and \$7,471 for the fiscal years ended June 30, 2010 and 2009, respectively.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 5 - RISK MANAGEMENT

The Centers Against Abuse and Sexual Assault is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disaster. These risks are covered by the purchase of commercial insurance. The Center assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 - NOTE PAYABLE

The Center has a line of credit of \$50,000 at Farmers Trust and Savings Bank. It is dated January 7, 2009, and it matures on January 7, 2011. The interest rate is 5.25% per annum (prime + 2% with a 5% floor), and the unpaid balance at June 30, 2010 and 2009 was \$-0- and \$-0-, respectively.

The Center had a line of credit of \$30,000 at Northwest Bank. They renewed it June 5, 2008, and it matured June 1, 2009. It was repaid January 26, 2009. The interest rate was prime.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporary restricted net assets totaled \$7,342 and \$7,240 as of June 30, 2010 and 2009, respectively.

Temporarily restricted net assets were received during the year:

	<u>2010</u>	<u>2009</u>
Donor Restricted	\$ 1,500	\$ 50
Restricted For Use In Designated County	<u>0</u>	<u>300</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS RECEIVED	\$ <u>1,500</u>	\$ <u>350</u>

Net assets were released from donor restrictions by satisfying the purpose specified by donors as follows:

	<u>2010</u>	<u>2009</u>
PURPOSE RESTRICTION ACCOMPLISHED:		
Specific Activity	\$ 1,410	\$ 50
Specific Counties	<u>0</u>	<u>503</u>
TOTAL RESTRICTIONS RELEASED	\$ <u>1,410</u>	\$ <u>553</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

NOTE 8 - SUBSEQUENT EVENTS:

After June 30, 2010, the Center sold properties in Cherokee and Estherville. The Estherville property sale was in process and negotiations were in process regarding the Cherokee sale at June 30, 2010.

The Center also moved its Cherokee office to rented property after the sale of the Cherokee property.

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

To The Board of Directors of
Centers Against Abuse and Sexual Assault

We have audited the financial statements of Centers Against Abuse and Sexual Assault, Spencer, Iowa, as of and for the year ended June 30, 2010, and have issued our report thereon dated August 30, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Centers Against Abuse and Sexual Assault's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Centers Against Abuse and Sexual Assault's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies, including deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Centers Against Abuse and Sexual Assault's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Centers Against Abuse and Sexual Assault's financial statements that is more than inconsequential will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control. We consider the deficiencies in internal control described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Centers Against Abuse and Sexual Assault's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we believe items A, B, C and D are material weaknesses.

Compliance and Other Matters

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

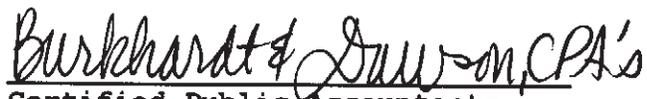
Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Center. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Centers Against Abuse and Sexual Assault's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we expressed our conclusions on the Center's responses, we did not audit Center's Against Abuse and Sexual Assault's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of Centers Against Abuse and Sexual Assault and other parties to whom the Center may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

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

BURKHARDT & DAWSON, CPA's


Burkhardt & Dawson, CPA's
Certified Public Accountants

August 30, 2010

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
SPENCER, IOWA
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2010

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

INSTANCES OF NON-COMPLIANCE:

No matters were reported.

SIGNIFICANT DEFICIENCIES:

- A. Segregation of Duties - During our review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the Center's financial statements. The Director of the Center may perform incompatible duties.

Recommendation - We realize segregation of duties is difficult with a limited number of office employees. We also realize the Center currently uses outside accounting services to better segregate accounting functions. The Center should review its operating procedures to obtain the maximum internal control possible under the circumstances.

Response - While segregation of duties remains difficult with a limited number of office employees, we have reviewed and revised financial policies to include clear checks and balances regarding grant claims and accounts payable. The outsourcing of our bookkeeping to an independent accounting firm will assist with accountability issues. The Clay County Coordinator opens all mail and performs all deposits of donations received.

Conclusion - Response accepted.

- B. Accounting - Outside accounting service did not record expense accruals properly because their spreadsheets for compensated absences were not correctly totaled.

Recommendation - The Center needs accurate accounting records.

Response - We will review the outside accountants supporting schedules used to prepare the year end adjustments to ensure the schedules are accurate and that the journal entries have been recorded properly.

Conclusion - Response accepted.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT
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SIGNIFICANT DEFICIENCIES - CONTINUED:

- C. Grants - Not all grants awarded were used by the Center.

Recommendation - The Center should monitor and use all of its grant awards to maximize the benefits for its clients.

Response - The Center continues to enhance internal controls that are in place to monitor grant expenditures in a more detailed manner. The grants will be monitored to ensure expenditure of all funds.

Conclusion - Response accepted.

- D. Grant Claims - Grant claims and reimbursements received are not compared for discrepancies. Grant claims and amounts actually collected do not always match. Expense claim reports were not always accumulated correctly from one report to the totals on the next report.

Recommendation - Grant receipts should be reviewed and any inconsistencies should be resolved. Total receipts for each grant should be compared to the grant award and the amounts claimed on the reimbursement claims filed for the grant year.

Response - The Center has implemented an internal procedure to assist in tracking grant payments particularly on the ESOG and PCA grants.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.