

**FINANCIAL STATEMENTS  
OF  
CENTERS AGAINST ABUSE AND  
SEXUAL ASSAULT  
SPENCER, IOWA  
AT  
JUNE 30, 2011 AND 2010**

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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	2013
Martin Sievers	Vice-President	2013
Bev Juhl	Treasurer	2012
Deb Dunn	Secretary	2013
Cara Gerlock	Board Member	2012
Barb Workman	Board Member	2013
Kathy Wolf	Board Member	2013
Pamela Carpenter	Board Member	2013
Chris Block	Board Member	2014
Rebecca Christoffer	Executive Director	Indefinite

# BURKHARDT & DAWSON

## Certified Public Accountants

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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, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. 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 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, 2011 and 2010 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 January 14, 2012 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 on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

BURKHARDT & DAWSON, CPA's

  
Burkhardt & Dawson CPA's  
Certified Public Accountants

January 14, 2012

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS:</b>		
Cash in Bank and Cash on Hand	\$ 237,668	\$ 128,885
Certificates of Deposit	36,952	31,432
Receivables - Federal Grants	43,214	46,035
Receivables - State Grants	28,642	22,825
Accrued Interest Receivable	83	67
Receivables - COBRA	0	353
Health Insurance Tax Credit Receivable	3,015	0
Prepaid Expenses	<u>707</u>	<u>908</u>
<b>TOTAL CURRENT ASSETS</b>	<b>\$ <u>350,281</u></b>	<b>\$ <u>230,505</u></b>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	\$ 108,000	\$ 107,500
Buildings and Improvements	658,622	813,080
Equipment and Furniture	<u>42,983</u>	<u>128,191</u>
<b>TOTAL</b>	<b>\$ 809,605</b>	<b>\$1,048,771</b>
<b>LESS - Accumulated Depreciation</b>	<b><u>(265,663)</u></b>	<b><u>(426,810)</u></b>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>\$ <u>543,942</u></b>	<b>\$ <u>621,961</u></b>
<b>TOTAL ASSETS</b>	<b>\$ <u>894,223</u></b>	<b>\$ <u>852,466</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 6,271	\$ 10,004
Accrued Payroll Taxes and Benefits Payable	3,267	2,988
Accrued Salaries Payable	11,727	11,299
Accrued Compensated Absences Payable	<u>8,564</u>	<u>11,989</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ <u>29,829</u></b>	<b>\$ <u>36,280</u></b>
<b>NET ASSETS:</b>		
<b>Unrestricted:</b>		
Designated by Board	\$ 95,444	\$ 0
Available for Operations	761,473	808,844
<b>TOTAL UNRESTRICTED</b>	<b>\$ <u>856,917</u></b>	<b>\$ <u>808,844</u></b>
Temporarily Restricted by Donors	<u>7,477</u>	<u>7,342</u>
<b>TOTAL NET ASSETS</b>	<b>\$ <u>864,394</u></b>	<b>\$ <u>816,186</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>894,223</u></b>	<b>\$ <u>852,466</u></b>

See accompanying notes to financial statements

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
UNRESTRICTED NET ASSETS:		
PUBLIC SUPPORT AND REVENUES:		
SUPPORT:		
Grants:		
Federal	\$ 238,233	\$ 274,675
State	179,916	212,319
Contributions:		
Local Governments	39,064	33,871
Other	79,916	121,246
Value of Contributed Services and Materials	<u>88,533</u>	<u>120,429</u>
TOTAL PUBLIC SUPPORT	<u>\$ 625,662</u>	<u>\$ 762,540</u>
REVENUES:		
Sales	\$ 69,835	\$ 65,080
Interest	581	979
Miscellaneous	390	0
Health Insurance Tax Credit	3,015	0
Gain on Sale of Property	<u>43,547</u>	<u>0</u>
TOTAL REVENUES	<u>\$ 117,368</u>	<u>\$ 66,059</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 0</u>	<u>\$ 1,410</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>\$ 743,030</u>	<u>\$ 830,009</u>
EXPENSES:		
PROGRAM SERVICES:		
Shelter Expenses	\$ 651,186	\$ 719,623
SUPPORT SERVICES:		
General and Administration	<u>43,771</u>	<u>45,633</u>
TOTAL EXPENSES	<u>\$ 694,957</u>	<u>\$ 765,256</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>\$ 48,073</u>	<u>\$ 64,753</u>
TEMPORARILY RESTRICTED NET ASSETS:		
Contributions	\$ 0	\$ 1,500
Interest	135	11
Net Assets Released from Donor Restrictions	<u>0</u>	<u>(1,410)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 135</u>	<u>\$ 101</u>
TOTAL CHANGE IN NET ASSETS	\$ 48,208	\$ 64,854
NET ASSETS AT BEGINNING OF YEAR	<u>816,186</u>	<u>751,332</u>
NET ASSETS AT END OF YEAR	<u>\$ 864,394</u>	<u>\$ 816,186</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, 2011 AND 2010

	<u>PROGRAM EXPENSES</u>	<u>GENERAL AND ADMINI- STRATIVE</u>	<u>2011 TOTAL</u>	<u>2010 TOTAL</u>
Salaries	\$352,132	\$ 15,315	\$367,447	\$381,958
Payroll Taxes	31,304	1,361	32,665	33,372
Fringe Benefits	<u>17,467</u>	<u>760</u>	<u>18,227</u>	<u>19,986</u>
Total Personnel Expenses	<u>\$400,903</u>	<u>\$ 17,436</u>	<u>\$418,339</u>	<u>\$435,316</u>
Contributed Services and Materials	88,533	0	88,533	120,429
Dues and Subscriptions	2,779	0	2,779	3,627
Fundraising Expenses	10,689	0	10,689	19,246
Insurance	16,237	0	16,237	17,907
Interest	0	0	0	1,638
Miscellaneous	6,547	0	6,547	2,447
Supplies	7,197	889	8,086	11,145
Postage	661	220	881	1,683
Printing and Advertisements	2,367	293	2,660	1,723
Contracted Services	6,637	0	6,637	644
Professional Fees	0	16,199	16,199	16,210
Rent	7,061	0	7,061	7,620
Equipment Rent	3,023	0	3,023	1,332
Repairs	11,908	0	11,908	15,595
Shelter Expenses	1,593	0	1,593	2,724
Staff Training	655	0	655	3,784
Telephone	8,300	1,026	9,326	9,802
Travel	23,122	7,708	30,830	33,459
Utilities	20,834	0	20,834	21,821
Homeless Prevention	<u>6,008</u>	<u>0</u>	<u>6,008</u>	<u>4,431</u>
TOTAL EXPENSES BEFORE DEPRECIATION	<u>\$625,054</u>	<u>\$ 43,771</u>	<u>\$668,825</u>	<u>\$732,583</u>
Depreciation	<u>26,132</u>	<u>0</u>	<u>26,132</u>	<u>32,673</u>
TOTAL EXPENSES	<u>\$651,186</u>	<u>\$ 43,771</u>	<u>\$694,957</u>	<u>\$765,256</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, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received From Federal Grants	\$ 241,054	\$ 250,162
Cash Received From State Grants	174,099	220,034
Cash Received From Local Governments	39,064	33,871
Cash Received From Sales	69,835	65,080
Interest Received	700	1,034
Other Receipts	743	0
Donations Received	79,916	122,746
Cash Paid to Employees and Suppliers	(586,542)	(608,778)
Interest Paid	<u>0</u>	<u>(1,638)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>\$ 18,869</u>	 <u>\$ 82,511</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal Repayments	\$ 0	\$ (15,000)
Proceeds From Loans	<u>0</u>	<u>15,000</u>
 NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>\$ 0</u>	 <u>\$ 0</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Property	\$ 99,287	\$ 0
Purchase of Capital Assets	(3,853)	(22,991)
Increase in Certificates of Deposit	<u>(5,520)</u>	<u>(638)</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>\$ 89,914</u>	 <u>\$ (23,629)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 \$ 108,783	 \$ 58,882
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>128,885</u>	 <u>70,003</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 237,668</u>	 <u>\$ 128,885</u>

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
 SPENCER, IOWA  
 STATEMENTS OF CASH FLOWS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 48,208	\$ 64,854
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	26,132	32,673
Gain on Sale of Property	(43,547)	0
Changes in Assets and Liabilities:		
(Increase) in Accounts Receivable	(5,658)	(17,151)
(Increase) Decrease in Accrued Interest Receivable	(16)	44
Decrease in Prepaid Expenses	201	893
Increase (Decrease) in Accounts Payable	(3,733)	3,659
Increase in Salaries and Benefits Payable	707	7,333
(Decrease) in Compensated Absences Payable	<u>(3,425)</u>	<u>(9,794)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 18,869</u>	<u>\$ 82,511</u>

## NON-CASH ACTIVITIES:

During the fiscal years June 30, 2011 and 2010, 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, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY - 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 the counties of Buena Vista, Cherokee, Clay, Dickinson, Emmet, Ida, Palo Alto, and Sac 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. These services include a 24-hour crisis line, crisis counseling and advocacy for adults and children, support groups for adults and children, shelter, medical and legal advocacy, school outreach and violence prevention programs, community education and information programs, and professional education.

The Centers Against Abuse and Sexual Assault is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and a similar section of the Iowa tax law which provides exemption for corporations organized and operated exclusively for religious, charitable or educational purposes. It is classified by the Internal Revenue Service as other than a private foundation.

The Center's financial statements are prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Financial Accounting Standards Board for non-profit corporations.

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

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

BASIS OF ACCOUNTING - (CONTINUED):

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

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

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations. The Center's Board may designate portions of their unrestricted net assets for specific purposes, projects or investment as an aid in the planning of expenses and the conservation of assets. The Center maintains separate accounts for any designations within the unrestricted net assets and segregates the designated and undesignated portions of the fund within the net assets section of the Statement of Financial Position.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations. The temporarily restricted net assets account for all resources restricted by outside sources which can only be utilized in accordance with the purposes established by the sources of the funds. Generally, the donors of these assets permit the Center to use all or part of the income earned on related investments for general or specific purposes.

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

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, 2011 and 2010.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING - (CONTINUED):

GRANTS RECEIVABLE - Grants receivable consists of receivables for federal and state funds awarded to CAASA based on services performed.

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, 2011 and 2010 are as follows:

CLASSES OF ASSETS	DEPRECIATED COSTS		ESTI- MATED LIVES	DEPRECIATION EXPENSE	
	2011	2010		2011	2010
Land	\$108,000	\$107,500	-	\$ 0	\$ 0
Buildings and Improvements	418,139	495,374	10-40	23,527	29,026
Equipment and Furniture	<u>17,803</u>	<u>19,087</u>	5-7	<u>2,605</u>	<u>3,647</u>
	<u>\$543,942</u>	<u>\$621,961</u>		<u>\$ 26,132</u>	<u>\$ 32,673</u>

CONTRIBUTIONS - 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.

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.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Value of Contributed Services and an offsetting expense - contributed services. Donated services are required to meet match requirements of certain grants. For the years ended June 30, 2011 and 2010 CAASA recognized \$71,665 and \$104,857, respectively as the value of volunteer services.

CONTRIBUTED FACILITIES - The CAASA occupies, without charge, certain premises located in a privately-owned building in Cherokee. No rent is paid by the Center. The estimated fair rental value is reported as contributions and expenses in the period in which the premises are used. For the years ended June 30, 2011 and 2010, CAASA recognized \$4,000 and \$-0-, respectively as the value of contributed facilities.

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, 2011 and 2010.

DATE OF MANAGEMENT'S REVIEW - Management has evaluated subsequent events through January 14, 2012, 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, 2011 AND 2010

## NOTE 2 - DESCRIPTION OF LEASING ARRANGEMENTS:

During the fiscal year ended June 30, 2009, the Center leased space for the Storm Lake office under an operating lease. The lease is for three years, but it may be terminated by either party after one year. Contingent rent payments at June 30, 2011 and June 30, 2010 are \$6,525 and \$6,600, respectively.

The Center also rented storage units in Cherokee and Spencer. The operating lease expense is \$536 and \$1,020 for the years ended June 30, 2011 and 2010, respectively.

## NOTE 3 - GOVERNMENT ASSISTANCE

During the years ended June 30, 2011 and 2010, the Center reported the following federal and state government support:

	<u>2011</u>	<u>2010</u>
Federal:		
Victims of Crime Assistance (VOCA)	\$167,056	\$169,679
Violence Against Women Act (VAWA)	26,998	45,057
Family Violence Prevention (FV)	38,255	51,404
Sexual Assault Services (SASP)	<u>5,924</u>	<u>8,535</u>
	<u>\$238,233</u>	<u>\$274,675</u>
State:		
Domestic Abuse	\$ 84,213	\$100,383
Sexual Assault	54,225	44,823
Emergency Shelter Grant Program (ESGP) and Homeless Shelter Operations Grants Program (HSOG)	23,576	40,014
Rape Prevention Education (RPE)	0	3,107
Prevent Child Abuse (PCA)	<u>17,902</u>	<u>23,992</u>
	<u>\$179,916</u>	<u>\$212,319</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 \$5,466 and \$4,821 for the fiscal years ended June 30, 2011 and 2010, respectively.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

## 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, 2012. The interest rate is 5.25% per annum (prime + 2% with a 5% floor), and the unpaid balance at June 30, 2011 and 2010 was \$-0- and \$-0-, respectively.

## NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporary restricted net assets totaled \$7,477 and \$7,342 as of June 30, 2011 and 2010, respectively.

Temporarily restricted net assets were received during the year:

	<u>2011</u>	<u>2010</u>
Donor Restricted	\$ <u>0</u>	\$ <u>1,500</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS RECEIVED</b>	<b>\$ <u>0</u></b>	<b>\$ <u>1,500</u></b>

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

	<u>2011</u>	<u>2010</u>
<b>PURPOSE RESTRICTION ACCOMPLISHED:</b>		
Specific Activity	\$ <u>0</u>	\$ <u>1,410</u>
<b>TOTAL RESTRICTIONS RELEASED</b>	<b>\$ <u>0</u></b>	<b>\$ <u>1,410</u></b>

## NOTE 8 - BOARD DESIGNATED FUNDS:

Assets of \$95,444 and \$-0- as of June 30, 2011 and 2010, respectively, have been designated by the Board of Directors for operating contingencies and for the purchase of equipment and building improvements.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011 AND 2010

NOTE 9 - FUND-RAISING EXPENSE:

The Center held two major fund-raising events during the year ended June 30, 2011 in Cherokee County and Clay County. For the year ended June 30, 2010, two additional major events were held in Dickinson County and Emmet County, but the shelters in those two counties have since closed. Fund-raising expense for the years ended June 30, 2011 and 2010 were \$10,689 and \$19,246, respectively.

# BURKHARDT & DAWSON

## Certified Public Accountants

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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, 2011, and have issued our report thereon dated January 14, 2012. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting we consider to be material weaknesses and other deficiencies we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control such that there is a reasonable possibility a material misstatement of the Center's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in the accompanying Schedule of Findings as items A, B, C and D to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control described in the accompanying Schedule of Findings as items AA, BB, and CC to be significant deficiencies.

#### 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 grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Center's operations for the year ended June 30, 2011 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 have expressed our conclusions on the Center's responses, we did not audit Centers 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, and 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, CPAs  
Certified Public Accountants

January 14, 2012

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2011

FINDINGS RELATED TO THE FINANCIAL STATEMENTS:  
INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:  
MATERIAL WEAKNESSES:

- 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 - CAASA continues to do what is possible to segregate duties with a very limited staff. The Clay County Coordinator continues to handle all the mail, opening every item and removing all checks. She also does the deposits. Any other tangible recommendations will be implemented.

Conclusion - Response accepted.

- B. 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 Director makes any needed corrections to claims and resolves them before filing. Moving forward, this issue should be resolved.

Conclusion - Response accepted.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2011

MATERIAL WEAKNESSES - Continued:

- C. Minutes - The board did not document the approval of all material transactions in the minutes nor were the board minutes signed.

Recommendation - The board should approve all material transactions and have them documented in the minutes. Also, all minutes should be signed by the secretary and maintained in one location.

Response - The Executive Director, hired in this new fiscal year, will work with the Board Secretary on improving the content of the minutes. Every attempt will be made to reflect firm decision making and accurate documentation at board meetings.

Conclusion - Response accepted.

- D. Restricted Contributions - Temporarily restricted contributions have carried over from prior years but there is no documentation on the status of these restricted items.

Recommendation - When there are donor-imposed restrictions on contributions, there should be a schedule prepared with the status of each restriction on an annual basis.

Response - The restricted account has been cleaned up and funds appropriated with board approval. One account will now be used only for restricted contributions. This will make for a cleaner record of restricted contributions.

Conclusion - Response accepted.

SIGNIFICANT DEFICIENCIES:

- AA. Accounting - The 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 during the year.

Response - This director will do the best she can to help maintain accurate accounting records.

Conclusion - Response accepted.

CENTERS AGAINST ABUSE AND SEXUAL ASSAULT  
SPENCER, IOWA  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2011

SIGNIFICANT DEFICIENCIES - CONTINUED:

- BB. Fixed Assets - There is no official capitalization policy or formal method for tracking fixed asset additions and deletions.

Recommendation - We recommend having the board approve a \$500 capitalization policy since this is the guideline used already. Also, assets should be tagged so the individual assets can be tracked even when they move to a different location.

Response - The Director wrote a Fixed Capitalization Policy and presented it to the board. The board suggested a \$2,000 capitalization policy. After a few minor changes, it was approved December 2011 by the board and submitted to Williams and Company.

Conclusion - Response accepted.

- CC. Invoices - Invoices could not be located by personnel to support all disbursements.

Recommendation - Invoices should be filed properly so they can be found at any time.

Response - This Director had a few issues finding information and invoices from a fiscal year that she was not here and did not do the filing. Moving forward, I trust I will be able to locate whatever is needed.

Conclusion - Response accepted.

OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING:

No matters were reported.