

COMMUNITY ACTION AGENCY OF SIOUXLAND

INDEPENDENT AUDITORS' REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SEPTEMBER 30, 2010

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COMMUNITY ACTION AGENCY OF SIOUXLAND

OFFICERS

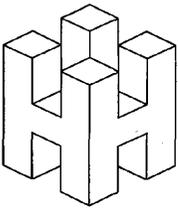
Harlan Salvatori	Chairperson
Mark Monson	Vice-Chairperson
Shelly Sorenson	Secretary
Norma DeLaO	Treasurer

BOARD MEMBERS

<u>Area</u>	<u>Representing Private</u>	<u>Representing Government</u>	<u>Representing Low-Income</u>
Northeast Rural		Mark Monson	Shelly Sorenson
Southwest Rural		Bob Knowler	Cindy Grimm
Westside			Jennifer Mackey
Mid-City			Concepcion Flores
No. Morningside			Dan Jensen
Sioux City At-Large			Tina Young
Head Start			Tito Parker
Community Development			Cathy Olson
Employment Early Childhood		Sally Hartley	
Welfare		Anita Bekish	
Health		Fran Sadden	
Education		Tom Cooper	
Business	Vacant		
Native American	Derek Albert		
African American	Flora Lee		
Religion	Pastor Sheryl Ashley		
Labor	Harlan Salvatori		
Hispanic	Norma DeLaO		
Legal Counsel	Sharese Manker		

MANAGEMENT

Jean Logan	Executive Director
Mary Bertram	Development Director
Vicky Hollingshead	Fiscal Officer
Scot Orban	Human Resource Director
Caroline Gomez	Executive Secretary
Andy Brown	Payroll Clerk
Sheila Cronin	Accounting Specialist
Judy Dickinson	Accounting Clerk, Computer Specialist
LaRae Lyons	Community Services Director
Craig Franzen	Assistant Community Services Director
Cindy Thomas	Director, Senior Employment Program
Tammy Herbert	Director, Child and Adult Care Food Program
Joan O'Connor	Director, Early Childhood Programs
Joe Miller	Director, Weatherization/Infrastructure



**HENJES, CONNER &
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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505 FIFTH STREET
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of COMMUNITY ACTION AGENCY OF SIOUXLAND, as of September 30, 2010, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Community Action Agency of Siouxland's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Agency of Siouxland, as of September 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2011, on our consideration of Community Action Agency of Siouxland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information as listed in the table of contents, including the Schedule of Expenditures of Federal Awards, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying non-GAAP supplementary information on pages 47 through 62 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the non-GAAP supplementary information. We did not audit the information and express no opinion on it.

Henjer, Gauer, & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
February 22, 2011

COMMUNITY ACTION AGENCY OF SIOUXLAND

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2010

ASSETS

	<u>Current Fund</u>	<u>Local Property and Equipment</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 693,704	\$	693,704
Restricted Cash - Note 10	349,818		349,818
Receivables			
Grant Awards and Contracts - Note 5	563,586		563,586
Other	15,339		15,339
Notes Receivable - Note 6	315,377		315,377
Accrued Interest Receivable	40,396		40,396
Prepaid Expenses	<u>8,030</u>	<u> </u>	<u>8,030</u>
	\$ 1,986,250	- \$	1,986,250
 <u>PROPERTY AND EQUIPMENT</u> - Note 2		\$ 555,186	
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>1,986,250</u>	\$ <u>555,186</u>	\$ <u>2,541,436</u>

LIABILITIES AND NET ASSETS

	<u>Current Fund</u>	<u>Local Property and Equipment</u>		<u>Total</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 248,358			\$ 248,358
Wages Payable	238,682			238,682
Payroll Taxes and Benefits Payable	332,731			332,731
Compensated Absences	137,905			137,905
Deferred Revenue - Note 7	513,440			513,440
Notes Payable - Note 8	315,377	\$ 216,952		532,329
Accrued Interest Payable	22,145			22,145
	<hr/>	<hr/>		<hr/>
Total Liabilities	\$ 1,808,638	\$ 216,952		\$ 2,025,590
 <u>NET ASSETS</u>				
Unrestricted Net Assets:				
Designated for Programs	\$ 25,011			\$ 25,011
Undesignated	<u>152,601</u>	\$ <u>338,234</u>		<u>490,601</u>
Unrestricted Net Assets	\$ <u>177,612</u>	\$ <u>338,234</u>		\$ <u>515,846</u>
Total Liabilities and Net Assets	\$ <u>1,986,250</u>	\$ <u>555,186</u>		\$ <u>2,541,436</u>

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>SUPPORT AND REVENUE</u>	<u>Current Fund</u>	<u>Property and Equipment</u>	<u>Total</u>
<u>Government Funding Sources:</u>			
U.S. Department of HUD	\$ 652,957		\$ 652,957
U.S. Department of Labor	872,431		872,431
U.S. Department of Energy	1,399,816		1,399,816
U.S. Department of Health and Human Services	7,228,377		7,228,377
U.S. Department of Agriculture	870,513		870,513
Iowa Department of Education	193,670		193,670
U.S. Department of Homeland Security	16,000		16,000
Iowa Workforce Development	24,328		24,328
Other Governments	597,555		597,555
Interest	6,565		6,565
Miscellaneous	<u>367,435</u>		<u>367,435</u>
 Total Support and Revenue	 \$ 12,229,647	 -	 \$ 12,229,647
 <u>EXPENSES</u>			
<u>Program Services:</u>			
ARRA - Community Services Block Grant (CSBG)	\$ 202,801		\$ 202,801
Low Income Home Energy Assistance Program (LIHEAP)	2,748,694		2,748,694
Head Start	2,439,650		2,439,650
ARRA - Head Start	149,920		149,920
Early Head Start	676,124		676,124
ARRA - Early Head Start	40,607		40,607
Head Start Expansion	182,805		182,805
SHIP/Early Head Start Home Visitor	23,279		23,279
Weatherization Assistance Programs	291,996		291,996
ARRA - Weatherization Assistance Programs	1,588,364		1,588,364
Wrap Around Child Care Grants	131,898		131,898
Family Development and Self-Sufficiency Grant	144,536		144,536
Shared Vision Grants	273,983		273,983
Crossroads	156,667		156,667
I Care and Other Assistance	47,720		47,720
Preschool Initiative	452,124		452,124
Senior Service of America, Inc. Administration	29,228		29,228
Senior Service of America, Inc. Enrollees ...	571,807		571,807
ARRA - Senior Services of America, Inc. Enrollees	72,473		72,473

See Accompanying Notes to Financial Statements

COMMUNITY ACTION AGENCY OF SIOUXLAND

EXHIBIT B
(Cont.)

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Current Fund</u>	<u>Property and Equipment</u>	<u>Total</u>
<u>EXPENSES (Continued)</u>			
Program Services (Continued):			
Iowa Workforce Development Programs	\$ 146,079		\$ 146,079
General Relief	167,257		167,257
Money Management Siouxland Aging Services	10,358		10,358
Child & Adult Care Food Program	645,126		645,126
Transitional Housing	16,394		16,394
City Homeless Program	357,858		357,858
ARRA - Rural Homeless Program	153,849		153,849
Family Development	11,180		11,180
John Morrell Center	<u>163,438</u>		<u>163,438</u>
Total Program Services	\$ 11,896,215	-	\$ 11,896,215
Management and General:			
Property and Equipment Depreciation		\$ 72,086	\$ 72,086
Property and Equipment Interest		13,944	13,944
Undesignated Fund Expenses	\$ <u>232,358</u>		<u>232,358</u>
Total Management and General	\$ <u>232,358</u>	\$ <u>86,030</u>	\$ <u>318,388</u>
Total Expenses	\$ <u>12,128,573</u>	\$ <u>86,030</u>	\$ <u>12,214,603</u>
Excess (Deficit) of Support and Revenue Over Expenses Before Transfers	\$ 101,074	\$(86,030)	\$ 15,044
<u>TRANSFERS</u>			
Transfers In (Out)	(<u>107,770</u>)	<u>107,770</u>	<u>-</u>
Change in Net Assets	\$(6,696)	\$ 21,740	\$ 15,044
Net Assets - Beginning of Year	<u>184,308</u>	<u>316,494</u>	<u>500,802</u>
Net Assets - End of Year	\$ <u>177,612</u>	\$ <u>338,234</u>	\$ <u>515,846</u>

See Accompanying Notes to Financial Statements

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
<u>SALARIES AND BENEFITS</u>			
Personnel	\$ 3,563,247	\$ 553,001	\$ 4,116,248
Fringe Benefits and Payroll Taxes	<u>1,029,234</u>	<u>207,427</u>	<u>1,236,661</u>
Total Salaries and Benefits	\$ 4,592,481	\$ 760,428	\$ 5,352,909
<u>OTHER EXPENSES</u>			
Assistance to Individuals	\$ 4,945,102	\$ 14,276	\$ 4,959,378
Travel	78,153	9,724	87,877
Rent	25,069		25,069
Repairs and Maintenance	33,597	43,150	76,747
Weatherization Labor, Support and Administration	510,661		510,661
Utilities and Telephone	83,139	45,771	128,910
Supplies and Material	374,929	37,667	412,596
Equipment	6,556	3,983	10,539
Printing, Publications and Postage	19,365	13,206	32,571
Insurance	56,958	22,154	79,112
Depreciation		72,086	72,086
Interest		16,782	16,782
Miscellaneous	<u>367,244</u>	<u>82,122</u>	<u>449,366</u>
Total Other Expenses	\$ <u>6,500,773</u>	\$ <u>360,921</u>	\$ <u>6,861,694</u>
Total Expenses Before Allocation of Indirect Costs	\$ 11,093,254	\$ 1,121,349	\$ 12,214,603
Allocation of Indirect Costs	<u>802,961</u>	(<u>802,961</u>)	<u>-</u>
Total Expenses	\$ <u>11,896,215</u>	\$ <u>318,388</u>	\$ <u>12,214,603</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Grants, Contributions and Programs	\$ 12,455,393
Cash Paid for Program Expenses	(12,072,347)
Interest Received	2,227
Interest Paid	(14,553)
Net Cash Provided by Operating Activities	\$ 370,720

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property and Equipment	\$ (83,906)
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CASH FLOWS FROM FINANCING ACTIVITIES

Payments Made on Note Payable	\$ (9,920)
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Net Increase in Cash	\$ 276,894
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Cash and Cash Equivalents - Beginning of Year	<u>416,810</u>
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Cash and Cash Equivalents - End of Year	\$ <u>693,704</u>
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RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Change in Net Assets	\$ 15,044
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	\$ 72,086
(Increase) in Grant Awards and Contracts Receivable	(146,804)
Decrease in Other Receivable	30,325
(Increase) in Accrued Interest Receivable	(4,338)
Decrease in Prepaid Expense	9,704
Increase in Accounts Payable	82,735
Increase in Wages Payable	70,378
(Decrease) in Payroll Taxes and Benefits Payable, Net of Insurance Reserve ..	(141,132)
Increase in Deferred Revenue	348,790
Increase in Compensated Absences	31,703
Increase in Accrued Interest Payable	<u>2,229</u>
Total Adjustments	\$ <u>355,676</u>
Net Cash Provided by Operating Activities	\$ <u>370,720</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Local Property and Equipment Fund - The Local Property and Equipment Fund is used to accumulate the net investment in fixed assets for the Agency.

Basis of Presentation - The Agency follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the FASB. The FASB sets generally accepted accounting principles (GAAP) that the Agency follows to ensure we consistently report our financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the *FASB Accounting Standards Codification*, sometimes referred to as the Codification or ASC.

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

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

Purchases of property and equipment providing future benefits are recorded as expenses in the program at the time of purchase and capitalized in the Local Property and Equipment fund.

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) Assets, Liabilities and Net Assets - The following accounting policies are followed in preparing the statement of financial position:

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

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

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

Receivables/Payables from Other Funds - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. To the extent that certain transactions between funds had not been paid or received as of September 30, 2010, balances of interfund amounts receivable or payable have been recorded.

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

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

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

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

Compensated Absences - Employees of the Agency accumulate a limited amount of earned but unused vacation payable to employees. Amounts representing the cost of compensated absences are recorded as liabilities of the Current Fund. This liability has been computed based on rates of pay in effect at September 30, 2010.

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Cont.) Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

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

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

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

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

Combining Statements - The combining statements of financial position and activities included in the supplementary information are presented based upon program financial reporting requirements and are not presented in accordance with accounting principles generally accepted in the United States of America. Accordingly, the "GAAP Adjustments" column on those combining statements includes adjustments necessary to adjust the amounts to conformity with accounting principles generally accepted in the United States of America.

Program Total Column - The total columns on the combining statement of financial position and the combining statement of activities are presented to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 2 - PROPERTY AND EQUIPMENT

A summary of property and equipment comprising the plant fund, categorized by acquiring program/source, is as follows at September 30, 2010:

<u>Acquiring Program/Source</u>	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
John Morrell Transition .				\$ 21,102	\$ 21,102
Crossroads	\$ 1	\$ 41,794			41,795
Early Head Start		51,328	\$ 238,798		290,126
Head Start	24,600	252,669	71,443	39,755	388,467
Transitional Housing	3,146	75,202			78,348
Weatherization					
Assistance for Low-					
Income Persons			69,373	9,025	78,398
General Agency	<u>79,000</u>	<u>371,094</u>	<u> </u>	<u>142,421</u>	<u>592,515</u>
 Total Cost	\$ 106,747	\$ 792,087	\$ 379,614	\$ 212,303	\$ 1,490,751
Less: Accumulated					
Depreciation	<u> </u>	<u>475,810</u>	<u>294,164</u>	<u>165,591</u>	<u>935,565</u>
 Net	\$ <u>106,747</u>	\$ <u>316,277</u>	\$ <u>85,450</u>	\$ <u>46,712</u>	\$ <u>555,186</u>

The components of the Agency's accumulated depreciation at September 30, 2010, are as follows:

<u>Acquiring Program/Source</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Balance Beginning of Year	\$ 446,577	\$ 290,146	\$ 155,118	\$ 891,841
Current Year Depreciation	29,233	32,380	10,473	72,086
Current Year Disposals	<u> </u>	(28,362)	<u> </u>	(28,362)
Balance End of Year	\$ <u>475,810</u>	\$ <u>294,164</u>	\$ <u>165,591</u>	\$ <u>935,565</u>

Note 3 - PENSION AND RETIREMENT BENEFITS

The Agency contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa 50303-9117.

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 3 - PENSION AND RETIREMENT BENEFITS

(Cont.)

Prior to July 1, 2010, plan members contributed 4.30% of their annual salary and the Agency was required to contribute 6.65% of annual covered payroll. After July 1, 2010, the contribution rates changed to 4.50% and 6.95%, respectively. Contribution requirements are established by state statute. The Agency's contribution to IPERS for the years ended September 30, 2010, and 2009, were \$242,599 and \$215,126, respectively, equal to the required contribution for each year.

Note 4 - PRINCIPAL PROGRAMS

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

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

Head Start and Early Head Start - are funded by the U.S. Department of Health and Human Services through an annual grant. Head Start and Early Head Start provide comprehensive developmental programs for children from birth through preschool, primarily serving children who come from low income families.

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

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

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

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 4 - PRINCIPAL PROGRAMS

(Cont.)

Transitional Housing - is primarily funded by the U.S. Department of Housing and Urban Development. The program is established to provide transitional housing and assistance to low income families. The ultimate goal is to assist and educate the families in becoming self-sufficient.

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

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

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

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

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

John Morrell Center - is funded by the U.S. Department of Labor. These funds are passed through Iowa Workforce Development for the purpose of training displaced workers due to the closing of the local plant.

Note 5 - RECEIVABLES - GRANT AWARDS AND CONTRACTS

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

<u>U.S. Department of Health and Human Services</u>	
Head Start	\$ 70,114
Early Head Start	575
Head Start Expansion	9,483
	\$ 80,172
<u>Iowa Department of Education</u>	
Child and Adult Care Food Program	\$ 79,242
<u>Iowa Department of Human Rights</u>	
Community Service Block Grant	\$ 65,701
Family Development and Self Sufficiency	9,194
Weatherization Assistance Programs	50,575
	\$ 125,470

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 5 - RECEIVABLES - GRANT AWARDS AND CONTRACTS
(Cont.)

<u>Iowa Department of Human Services</u>	
Wrap Around Child Care	\$ 10,753
<u>U.S. Department of Labor</u>	
Senior Service of America, Inc.	\$ 25,137
John Morrell Center	<u>52,286</u>
	\$ 77,423
<u>U.S. Department of Housing and Urban Development</u>	
Transitional Housing	\$ 2,816
Crossroads	10,689
City Homeless Program	<u>22,018</u>
	\$ 35,523
<u>Siouxland Human Investment Partnership (SHIP)</u>	
Preschool Initiative	\$ 54,005
Shared Visions	\$ 23,576
Iowa Workforce Development	\$ 13,782
I Care and Other Assistance	\$ 8,000
Rural Homeless Program	\$ 7,073
General Relief	\$ <u>48,567</u>
Total	\$ <u>563,586</u>

Note 6 - NOTES RECEIVABLE

Promissory notes receivable as of September 30, 2010, are comprised of:

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 6 - NOTES RECEIVABLE

(Cont.)

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

\$ 315,377

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

Note 7 - DEFERRED REVENUES

A summary of grant/contract advances shown as deferred revenue follows:

Early Head Start	\$ 14,078
Weatherization Assistance Grants	380,698
Family Development and Self Sufficiency	6,752
Shared Vision Grants	15,210
Crossroads	309
I Care and Other Assistance	24,877
Preschool Initiative	1,743
Iowa Workforce Development	1,420
General Relief	6,161
Rural Homeless Program	7,851
GIF/Various One Time Grants/Donations	43,342
Undesignated	<u>10,999</u>
Total Deferred Revenue	\$ <u>513,440</u>

Note 8 - NOTES PAYABLE

Notes payable consist of the following:

Note to Federal Home Loan Bank, Des Moines	\$ 50,000
Note to Iowa Department of Economic Development, 1% Interest, \$5,000 Interest Payment Due Annually Through December 31, 2016. Note Matures December 31, 2017	265,377
Note to Liberty National Bank, 5.0% Interest, Due in Monthly Installments of \$2,500. Note Matures October 1, 2019	<u>216,952</u>
	\$ <u>532,329</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 8 - NOTES PAYABLE

(Cont.)

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

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

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

The note to Liberty National Bank relates to the purchase of the Isabelle Sloan School building located on South Helen Street in Sioux City, Iowa, which is used mainly to house the Early Head Start Program. The note is secured by the property purchased.

The future maturities for the next five years and afterwards are as follows; for the years ended September 30:

2011	\$ 19,483
2012	20,435
2013	21,523
2014	22,640
2015	23,814
Thereafter	<u>424,434</u>
	\$ <u>532,329</u>

Note 9 - LEASE OBLIGATIONS

The Agency leases various office equipment and administrative and program space under operating leases. The leases are for various terms, expiring May 2011 through May 2018. The total amount of rent expense reported under these leases for the current fiscal year was \$ 84,597.

The following are the future minimum lease payments required for the next five years:

2011	\$ 197,980
2012	\$ 48,428
2013	\$ 36,000
2014	\$ 36,000
2015	\$ 36,000

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 10 - GROUP HEALTH INSURANCE

The Agency sponsors a partially self-insured group health insurance program on behalf of its employees and their dependents. Under the plan, the Agency pays for claims up to \$25,000 annually per individual with one employee whose limit has been increased to \$55,000. In addition, there is an overall maximum of \$2,000,000. A contract with an insurance company is maintained to provide coverage in excess of the Agency's liability.

At September 30, 2010, management estimated the reserve for insurance claims to be \$321,931. The reserve represents individual case estimates for reported claims, estimates of expenses for investigating and settling claims, and estimates for incurred but not reported (IBNR) claims based on actual historical claims' costs for medical claims adjusted for current events. This liability is included in payroll taxes and benefits payable on the statement of financial position. The Agency held \$349,818 in cash it had restricted for claims as of September 30, 2010.

Note 11 - RISK MANAGEMENT AND CONTINGENCIES

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Agency assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

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

In addition, the general partners have agreed to advance funds to the partnerships as needed to eliminate operating cash deficits. No advances are outstanding as of September 30, 2010.

Note 12 - OFF-BALANCE SHEET RISK

The Agency maintains its accounts primarily at three financial institutions. At times throughout the year, the Agency's cash and equivalents balances may exceed amounts insured by the Federal Deposit Insurance Corporation. However, the banks with deposits in excess of the insured amounts have pledged securities they were holding as collateral for the deposits.

COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2010

Note 13 - INCOME TAXES

The Agency is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of its exempt purpose is not subject to income tax and accordingly, the financial statements do not reflect a provision for income taxes.

Management has concluded that any uncertain tax positions would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in the statement of financial position. Federal and state tax returns of the entity are generally open to examination by the relevant taxing authorities for a period of three years from the date the returns are filed.

Note 14 - CONCENTRATION OF GRANTS

Approximately 59% of the Agency's funding is provided by grants from the U.S. Department of Health and Human Services and approximately 11% is provided by grants from the U.S. Department of Energy, and an additional 26% is provided by grants from the various Federal and State agencies. The Agency's ability to continue operating in it's current state in the absence of one or more of these funding sources has not been determined.

Note 15 - SUBSEQUENT EVENTS

In preparing the financial statements, the Agency has evaluated all subsequent events, for potential recognition or disclosure, through February 22, 2011, the date the financial statements were available to be issued.

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2010

	<u>TOTAL</u>	<u>GAAP ADJUSTMENTS</u>	<u>PROGRAM TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 693,704		\$ 693,704
Restricted Cash	349,818		349,818
Receivables:			
Grant Awards and Contracts	563,586		563,586
Other	15,339		15,339
Notes Receivable	315,377		315,377
Accrued Interest Receivable	40,396		40,396
Due from Other Funds		\$ (210,327)	210,327
Prepaid Expenses	8,030		8,030
Property and Equipment - Note 2	555,186		555,186
Total Assets	<u>\$ 2,541,436</u>	<u>\$ (210,327)</u>	<u>\$ 2,751,763</u>
 <u>LIABILITIES AND NET ASSETS</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 248,358		\$ 248,358
Wages Payable	238,682		238,682
Payroll Taxes and Benefits Payable	332,731		332,731
Compensated Absences	137,905		137,905
Due to Other Funds		\$ (210,327)	210,327
Deferred Revenue	513,440		513,440
Notes Payable	532,329		532,329
Accrued Interest Payable	22,145		22,145
Total Liabilities	<u>\$ 2,025,590</u>	<u>\$ (210,327)</u>	<u>\$ 2,235,917</u>
 <u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 338,234		\$ 338,234
Unrestricted Net Assets:			
Designated for Programs	25,011		25,011
Undesignated	152,601		152,601
Total Net Assets	<u>\$ 515,846</u>	<u>-</u>	<u>\$ 515,846</u>
Total Liabilities, Deferred Revenue and Net Assets	<u>\$ 2,541,436</u>	<u>\$ (210,327)</u>	<u>\$ 2,751,763</u>

CSBG	LIHEAP	Head Start	Early Head Start	Head Start Expansion	SHIP/Early Head Start Home Visitor	Weatherization Assistance Programs	Weatherization Assistance Administration	Wrap Around Child Care Grants
\$ (67,352)	\$ 27	\$ (28,407)	\$ 16,676	\$ (2,570)		\$339,918	\$ (9,454)	\$ (12,691)
65,701		70,114	575	9,483		40,981	9,594	10,753
1,567		757	40				249	
3,092	261	77,607	17,417			12,669		4,009
	1,482	624	59	261		28		203
<u>\$ 3,008</u>	<u>\$ 1,770</u>	<u>\$120,695</u>	<u>\$ 34,767</u>	<u>\$ 7,174</u>	<u>-</u>	<u>\$393,596</u>	<u>\$ 389</u>	<u>\$ 2,274</u>
	\$ 2,097	\$ 37,882	\$ 3,522	\$ 6,513		\$ 575		
\$ 3,092	261	77,679	17,417			12,348		\$ 4,009
(84)	(718)	5,134	(250)	661		115		(1,735)
			14,078				\$ 249	
						380,558	140	
<u>\$ 3,008</u>	<u>\$ 1,640</u>	<u>\$120,695</u>	<u>\$ 34,767</u>	<u>\$ 7,174</u>	<u>-</u>	<u>\$393,596</u>	<u>\$ 389</u>	<u>\$ 2,274</u>
	\$ 130							
-	\$ 130	-	-	-	-	-	-	-
<u>\$ 3,008</u>	<u>\$ 1,770</u>	<u>\$120,695</u>	<u>\$ 34,767</u>	<u>\$ 7,174</u>	<u>-</u>	<u>\$393,596</u>	<u>\$ 389</u>	<u>\$ 2,274</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF FINANCIAL POSITION (Continued)
SEPTEMBER 30, 2010

	Family Development & Self Sufficiency (FaDSS)	Shared Vision Grants	Crossroads	I Care and Other Assistance	Preschool Initiative
<u>ASSETS</u>					
Cash	\$ (2,403)	\$ (2,257)	\$ (6,509)	\$ 18,300	\$ (35,612)
Restricted Cash					
Receivables:					
Grant Awards and Contracts	9,194	23,576	10,689	8,000	54,005
Other				919	
Notes Receivable					
Accrued Interest Receivable					
Due from Other Funds	3,759		3,938		25,827
Prepaid Expenses	14		239		
Property and Equipment - Note 2					
Total Assets	\$ 10,564	\$ 21,319	\$ 8,357	\$ 27,219	\$ 44,220
<u>LIABILITIES AND NET ASSETS</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 425	\$ 5,646	\$ 276	\$ 1,392	\$ 12,594
Wages Payable	3,759		3,938		25,827
Payroll Taxes and Benefits Payable	(372)	463	3,834		4,056
Compensated Absences					
Due to Other Funds					
Deferred Revenue	6,752	15,210	309	24,877	1,743
Notes Payable					
Accrued Interest Payable					
Total Liabilities	\$ 10,564	\$ 21,319	\$ 8,357	\$ 26,269	\$ 44,220
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt					
Unrestricted Net Assets:					
Designated for Programs					
Undesignated				\$ 950	
Total Net Assets	-	-	-	\$ 950	-
Total Liabilities, Deferred Revenue and Net Assets	\$ 10,564	\$ 21,319	\$ 8,357	\$ 27,219	\$ 44,220

Senior Service of America, Inc.		Iowa Workforce Development Programs	General Relief	Money Management Siouxland Aging Services	Child & Adult Care Food Program	Transitional Housing	City Homeless Program
Administration	Enrollees						
\$ (5,270)	\$ (21,828)	\$ 168	\$ (41,466)	\$ 92	\$ (41,374)	\$ 21,527	\$(19,344)
	25,137	13,782	48,567		79,242	2,816	22,018
5,122	103				393	140	337
	48,952				2,865	219	1,212
391					7	288	
<u>\$ 243</u>	<u>\$ 52,364</u>	<u>\$ 13,950</u>	<u>\$ 7,101</u>	<u>\$ 92</u>	<u>\$ 41,133</u>	<u>\$ 24,990</u>	<u>\$ 4,223</u>
\$ 140	\$ 535	\$ 12,530	\$ 940		\$ 38,419		\$ 2,853
	48,952				2,865	\$ 219	1,212
103	2,811			\$ 92	(151)	(240)	158
		1,420	6,161				
<u>\$ 243</u>	<u>\$ 52,298</u>	<u>\$ 13,950</u>	<u>\$ 7,101</u>	<u>\$ 92</u>	<u>\$ 41,133</u>	<u>\$ (21)</u>	<u>\$ 4,223</u>
	\$ 66					\$ 25,011	
-	\$ 66	-	-	-	-	\$ 25,011	-
<u>\$ 243</u>	<u>\$ 52,364</u>	<u>\$ 13,950</u>	<u>\$ 7,101</u>	<u>\$ 92</u>	<u>\$ 41,133</u>	<u>\$ 24,990</u>	<u>\$ 4,223</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF FINANCIAL POSITION (Continued)
SEPTEMBER 30, 2010

	Rural Homeless Program	Family Develop- ment	John Morrell Center	GIF/Various One Time Grants/ Donations
<u>ASSETS</u>				
Cash	\$ 1,753	\$ (21)	\$ (24,562)	\$ 43,766
Restricted Cash				
Receivables:				
Grant Awards and Contracts	7,073		52,286	
Other				
Notes Receivable				
Accrued Interest Receivable				
Due from Other Funds	992	198	7,310	
Prepaid Expenses	23			
Property and Equipment - Note 2				
	<hr/>			
Total Assets	<u>\$ 9,841</u>	<u>\$ 177</u>	<u>\$ 35,034</u>	<u>\$ 43,766</u>
 <u>LIABILITIES AND NET ASSETS</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 799		\$ 27,099	\$ 424
Wages Payable	992	\$ 198	7,310	
Payroll Taxes and Benefits Payable	199	(21)	625	
Compensated Absences				
Due to Other Funds				
Deferred Revenue	7,851			43,342
Notes Payable				
Accrued Interest Payable				
	<hr/>			
Total Liabilities	<u>\$ 9,841</u>	<u>\$ 177</u>	<u>\$ 35,034</u>	<u>\$ 43,766</u>
 <u>NET ASSETS</u>				
Invested in Capital Assets, Net of Related Debt				
Unrestricted Net Assets:				
Designated for Programs				
Undesignated				
	<hr/>			
Total Net Assets	-	-	-	-
Total Liabilities, Deferred Revenue and Net Assets	<u>\$ 9,841</u>	<u>\$ 177</u>	<u>\$ 35,034</u>	<u>\$ 43,766</u>

<u>Indirect Cost Allocation Pool</u>	<u>Property and Equipment</u>	<u>Undesignated</u>
\$108,089		\$ 464,508 349,818
3,784		1,928 315,377 40,396
2,061		2,350
	\$ 555,186	
<u>\$113,934</u>	<u>\$ 555,186</u>	<u>\$ 1,174,377</u>
\$ 50,420		\$ 43,277
26,536		2,068
(2,654)		320,705
		137,905
39,632		170,446
		10,999
	\$ 216,952	315,377
		22,145
<u>\$113,934</u>	<u>\$ 216,952</u>	<u>\$ 1,022,922</u>
	\$ 338,234	
		\$ 151,455
-	\$ 338,234	\$ 151,455
<u>\$113,934</u>	<u>\$ 555,186</u>	<u>\$ 1,174,377</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	REPORT TOTAL	GAAP ADJUSTMENTS	PROGRAM TOTAL
REVENUES			
Government Funding Sources:			
U.S. Department of HUD	\$ 652,957		\$ 652,957
U.S. Department of Labor	872,431		872,431
U.S. Department of Energy	1,399,816		1,399,816
U.S. Department of Health and Human Services	7,228,377		7,228,377
U.S. Department of Agriculture	870,513		870,513
U.S. Department of Homeland Security	16,000		16,000
Iowa Department of Education	193,670		193,670
Iowa Workforce Development	24,328		24,328
Other Governments	597,555		597,555
In-Kind Contributions	-	\$ (1,419,197)	1,419,197
Investment in Property and Equipment	-	(83,906)	83,906
Interest	6,565		6,565
Miscellaneous	367,435	(214,065)	581,500
CACFP Co-Funding	-		-
CSBG Co-Funding	-		-
Total Support and Revenue	\$ 12,229,647	\$ (1,717,168)	\$ 13,946,815
EXPENSES			
Personnel	\$ 4,116,248		\$ 4,116,248
Fringe Benefits and Payroll Taxes	1,236,661		1,236,661
Assistance to Individuals	4,959,378		4,959,378
Travel	87,877		87,877
Rent	25,069	\$ (190,476)	215,545
Repairs and Maintenance	76,747		76,747
Weatherization Labor, Support and Administration	510,661		510,661
Utilities and Telephone	128,910		128,910
Supplies and Material	412,596	(83,906)	496,502
Equipment	10,539		10,539
Printing, Publications and Postage	32,571	(23,589)	56,160
Insurance	79,112		79,112
Depreciation	72,086		72,086
Interest	16,782		16,782
In-Kind	-	(1,419,197)	1,419,197
Miscellaneous	449,366		449,366
Indirect Costs	-		-
Total Expenses	\$ 12,214,603	\$ (1,717,168)	\$ 13,931,771
Excess (Deficit) of Support and Revenue Over (Under) Expenses Before Transfers	\$ 15,044	-	\$ 15,044
TRANSFERS			
Principal and Interest Payments on Note	-		-
Interfund Transfers	-		-
Change in Net Assets	\$ 15,044	-	\$ 15,044
Net Assets - Beginning of Year	500,802		500,802
Net Assets - End of Year	\$ 515,846	-	\$ 515,846

	CSBG			LIHEAP	Head Start		
09-18CR	10-18CR	ARRA		10-18R	07CH-7018 38	07CH-7018 39	ARRA
\$ 4,639	\$ 301,613	\$ 297,010	\$	2,749,298	\$ 1,032,630	\$ 1,220,255	\$ 151,885
					409,585	302,413	39,622
				130			
					65,698	64,671	
(4,639)	(301,613)	(94,183)		1,938	131,146	4,543	3,898
-	-	\$ 202,827	\$	2,751,366	\$ 1,639,059	\$ 1,591,882	\$ 195,405
		\$ 59,477	\$	106,166	\$ 638,424	\$ 718,891	\$ 27,865
		27,799		37,849	198,198	199,372	12,377
		45,503		2,574,340	81,801	66,927	
				1,026	7,631	9,304	2,244
				1,932	(9,217)	61,833	
					345	17,091	
		203		156	9,569	10,794	
		1,128		4,817	54,407	22,014	57,379
		58		1,383	24	2,119	
		464		916	(4,016)	14,584	
					409,585	302,413	39,622
		54,371			99,110	10,235	45,505
		13,824		22,651	154,768	156,305	10,413
-	-	\$ 202,827	\$	2,751,236	\$ 1,640,629	\$ 1,591,882	\$ 195,405
-	-	-	\$	130	\$ (1,570)	-	-
-	-	-	\$	130	\$ (1,570)	-	-
-	-	-			1,570		
-	-	-	\$	130	-	-	-

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>07CH-7018 38</u>	<u>Early Head Start 07CH-7018 39</u>	<u>ARRA</u>	<u>Head Start Expansion ARRA</u>
REVENUES				
Government Funding Sources:				
U.S. Department of HUD				
U.S. Department of Labor				
U.S. Department of Energy				
U.S. Department of Health and Human Services	\$ 272,595	\$ 409,084	\$ 53,450	\$ 186,382
U.S. Department of Agriculture				
U.S. Department of Homeland Security				
Iowa Department of Education				
Iowa Workforce Development				
Other Governments				
In-Kind Contributions	187,057	211,173	14,482	40,797
Investment in Property and Equipment				
Interest				
Miscellaneous				
CACFP Co-Funding				8,109
CSBG Co-Funding	12,361	12,445	1,395	5,532
Total Support and Revenue	<u>\$ 472,013</u>	<u>\$ 632,702</u>	<u>\$ 69,327</u>	<u>\$ 240,820</u>
EXPENSES				
Personnel	\$ 160,511	\$ 227,092	\$ 6,756	\$ 55,777
Fringe Benefits and Payroll Taxes	57,028	81,078	2,904	14,508
Assistance to Individuals	1,780	1,868		8,604
Travel	13,173	518	6,413	611
Rent	11,980	17,918		17,199
Repairs and Maintenance	(5,497)	7,779		
Weatherization Labor, Support and Administration				
Utilities and Telephone	1,980	2,991		363
Supplies and Material	3,173	6,167	22,217	81,481
Equipment				
Printing, Publications and Postage	115	934		43
Insurance		11,116		232
Depreciation				
Interest				
In-Kind	187,057	211,173	14,482	40,797
Miscellaneous	(1,512)	2,010	13,380	4,626
Indirect Costs	42,225	62,058	3,175	16,579
Total Expenses	<u>\$ 472,013</u>	<u>\$ 632,702</u>	<u>\$ 69,327</u>	<u>\$ 240,820</u>
Excess (Deficit) of Support and Revenue Over (Under) Expenses Before Transfers	-	-	-	-
TRANSFERS				
Principal and Interest Payments on Note				
Interfund Transfers				
Change in Net Assets	-	-	-	-
Net Assets - Beginning of Year				
Net Assets - End of Year	-	-	-	-

SHIP/Early Head Start Home Visitor 09-10	Weatherization Assistance Programs						Wrap Around Child Care Grants	
	DOE-09-18R	DOE - ARRA	HEAP-09-18R	HEAP-10-18R	BHE-10-18R MEC-10-18R	Admin- istration	WRA-09	WRA-10
	\$ 24,536	\$ 1,375,280						
			\$ 82,125	\$ 187,662			\$ 100,998	\$ 10,752
\$ 26,738					\$ 223,144			
							10,163	
							10,000	
\$ 26,738	\$ 24,536	\$ 1,375,280	\$ 82,125	\$ 187,662	\$ 223,144	-	\$ 121,161	\$ 10,752
\$ 15,352		\$ 221,510				\$ 10,137	\$ 68,224	\$ 7,505
3,988		88,696				3,363	20,134	1,756
	\$ 8,269	614,048	\$ 45,928	\$ 168,481	\$ 91,287		10,023	
63		14,970				540		
3,438		8,016				2,244		
		411						
	13,888	344,507	12,279	8,130	131,857			
383		2,201				311		
118		11,840				2,437	1,381	
						3,400		
47		4,633				188	34	
232	4,818	6,552		7,651		76	382	
85		8,631				60	6,471	
3,032		49,265				2,123	14,512	1,491
\$ 26,738	\$ 26,975	\$ 1,375,280	\$ 58,207	\$ 184,262	\$ 223,144	\$ 24,879	\$ 121,161	\$ 10,752
	\$ (2,439)	-	\$ 23,918	\$ 3,400	-	\$ (24,879)	-	-
	2,439		(23,918)	(3,400)		24,879		
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Family Development & Self Sufficiency		Shared Vision Grants		Crossroads
	FaDDS 10-18FR	FaDDS 11-18FR	09-10	10-11	09-10
REVENUES					
Government Funding Sources:					
U.S. Department of HUD					\$ 125,789
U.S. Department of Labor					
U.S. Department of Energy					
U.S. Department of Health and Human Services	\$ 100,863	\$ 33,553			
U.S. Department of Agriculture					
U.S. Department of Homeland Security					
Iowa Department of Education			\$ 150,194	\$ 43,476	
Iowa Workforce Development					
Other Governments			21,850	12,954	
In-Kind Contributions	3,285		100,242	19,255	
Investment in Property and Equipment					
Interest					
Miscellaneous					30,933
CACFP Co-Funding			19,369	4,399	
CSBG Co-Funding	14,637		30,516		
Total Support and Revenue	\$ 118,785	\$ 33,553	\$ 322,171	\$ 80,084	\$ 156,722
EXPENSES					
Personnel	\$ 63,941	\$ 18,211	\$ 117,803	\$ 28,056	\$ 89,619
Fringe Benefits and Payroll Taxes	24,323	8,171	27,806	7,322	35,421
Assistance to Individuals			19,133	4,025	1,971
Travel	5,181	1,672	43	2	534
Rent	3,449	770	1,875	6,840	
Repairs and Maintenance					959
Weatherization Labor, Support and Administration					
Utilities and Telephone	794	222	520	158	4,868
Supplies and Material	461	36	2,255	5,406	2,486
Equipment					
Printing, Publications and Postage	522	153	124	12	124
Insurance	951		2,219	238	1,226
Depreciation					
Interest					
In-Kind	3,285		100,242	19,255	
Miscellaneous	1,983	70	23,757		324
Indirect Costs	13,895	4,248	26,394	8,770	19,190
Total Expenses	\$ 118,785	\$ 33,553	\$ 322,171	\$ 80,084	\$ 156,722
Excess (Deficit) of Support and Revenue Over (Under) Expenses Before Transfers	-	-	-	-	-
TRANSFERS					
Principal and Interest Payments on Note					
Interfund Transfers					
Change in Net Assets	-	-	-	-	-
Net Assets - Beginning of Year					
Net Assets - End of Year	-	-	-	-	-

COMMUNITY ACTION AGENCY OF SIOUXLAND
COMBINING STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	General Relief	Money Management Siouxland Aging Services 09-10	Care Food Program Daycare 09-10	Care Food Program Classrooms 09-10
REVENUES				
Government Funding Sources:				
U.S. Department of HUD				
U.S. Department of Labor				
U.S. Department of Energy				
U.S. Department of Health and Human Services				
U.S. Department of Agriculture			\$ 632,176	\$ 238,337
U.S. Department of Homeland Security				
Iowa Department of Education				
Iowa Workforce Development				
Other Governments	\$ 167,257			
In-Kind Contributions				
Investment in Property and Equipment				
Interest				
Miscellaneous		\$ 2,360		
CACFP Co-Funding				(238,337)
CSBG Co-Funding		8,154	17,962	
Total Support and Revenue	\$ 167,257	\$ 10,514	\$ 650,138	-
EXPENSES				
Personnel		\$ 6,795	\$ 63,445	
Fringe Benefits and Payroll Taxes		1,667	28,749	
Assistance to Individuals	\$ 139,757		528,054	
Travel		187	2,695	
Rent			2,720	
Repairs and Maintenance				
Weatherization Labor, Support and Administration				
Utilities and Telephone		72	622	
Supplies and Material		113	2,762	
Equipment				
Printing, Publications and Postage		354	5,363	
Insurance			928	
Depreciation				
Interest				
In-Kind				
Miscellaneous	27,500		258	
Indirect Costs		1,326	14,616	
Total Expenses	\$ 167,257	\$ 10,514	\$ 650,212	-
E Excess (Deficit) of Support and Revenue Over (Under) Expenses Before Transfers	-	-	\$ (74)	-
TRANSFERS				
Principal and Interest Payments on Note				
Interfund Transfers				
Change in Net Assets	-	-	\$ (74)	-
Net Assets - Beginning of Year			74	
Net Assets - End of Year	-	-	-	-

Transitional Housing 09-10	City Homeless Program	Rural Homeless Program ARRA	Family Develop- ment 09-10	John Morrell Center	Indirect Cost Allocation Pool	Property and Equipment	Undesignated
\$ 14,983	\$ 358,132	\$ 154,053		\$ 200,769			\$ 5,000
8,682					\$ 15,400	\$ 83,906	6,435
1,671					1,072		282,821
238			\$ 11,180				
<u>\$ 25,574</u>	<u>\$ 358,132</u>	<u>\$ 154,053</u>	<u>\$ 11,180</u>	<u>\$ 200,769</u>	<u>\$ 16,472</u>	<u>\$ 83,906</u>	<u>\$ 294,256</u>
\$ 6,649 (1,853)	\$ 14,750 6,669 330,464	\$ 24,552 11,644 98,283	\$ 6,535 2,252	\$ 20,080 5,132 108 56 41,231	\$ 516,265 163,279 7,329 36,432 614		\$ 36,736 44,148 14,276 2,395 42,536
4,302							
4,806	100	1,290	29	3,773	5,990		39,781
45	1,107	2,477	84	124,168	38,861		13,848
							3,983
123	622	463	1	152	8,298		13,206
1,487	916	916	905	1,101	9,138		13,016
						\$ 72,086	
						13,944	2,838
8,682							
923		345		972	33,227		49,255
(44)	3,442	5,730	1,374	3,996	(802,961)		
<u>\$ 25,130</u>	<u>\$ 358,132</u>	<u>\$ 154,053</u>	<u>\$ 11,180</u>	<u>\$ 200,769</u>	<u>\$ 16,472</u>	<u>\$ 86,030</u>	<u>\$ 276,018</u>
\$ 444	-	-	-	-	-	\$ (2,124)	\$ 18,238
						23,864	(23,864)
\$ 444	-	-	-	-	-	\$ 21,740	\$ (5,626)
24,567						316,494	157,081
<u>\$ 25,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 338,234</u>	<u>\$ 151,455</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>	<u>CFDA #</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>Direct Federal Awards:</u>			
Head Start Cluster:			
Head Start	93.600	07CH-7018 38	\$ 1,305,225
Head Start	93.600	07CH-7018 39	1,629,339
ARRA - Head Start	93.708	7-1-09/9-30-10	205,335
ARRA - Head Start	93.708	07SH7018-01	186,382
<u>Indirect Federal Awards:</u>			
Passed Through Central Missouri Community Action Agency:			
Head Start	93.600	12/31/2009	5,000
Total Head Start Cluster			<u>\$ 3,331,281</u>
Passed Through Iowa Department of Human Rights:			
CSBG Cluster:			
Community Service Block Grant	93.569	CSBG-09-18CR	\$ 4,639
Community Service Block Grant	93.569	CSBG-10-18CR	301,613
ARRA - Community Service Block Grant	93.710	CSBG-R9-18	297,010
Total CSBG Cluster			<u>\$ 603,262</u>
Low-Income Home Energy Assistance	93.568	HEAP-09-18R	\$ 82,125
Low-Income Home Energy Assistance	93.568	HEAP-10-18R	187,662
Low-Income Home Energy Assistance	93.568	LIHEAP-10-18R	2,749,298
Total Low-Income Home Energy Assistance			<u>\$ 3,019,085</u>
Passed Through Iowa Department of Human Services:			
Temporary Assistance for Needy Families	93.558	FaDSS-10-18FR	\$ 100,863
Temporary Assistance for Needy Families	93.558	FaDSS-11-18FR	33,553
Temporary Assistance for Needy Families	93.558	7-1-09/6-30-10	21,391
Temporary Assistance for Needy Families	93.558	7-1-10/6-30-11	4,463
Temporary Assistance for Needy Families	93.558	7-1-09/6-30-10	168
Temporary Assistance for Needy Families	93.558	7-1-10/6-30-11	69
Temporary Assistance for Needy Families	93.558	7-1-09/6-30-10	2,433
Temporary Assistance for Needy Families	93.558	7-1-10/6-30-11	59
Total Temporary Assistance for Needy Families			<u>\$ 162,999</u>
Child Care and Development Block Grant	93.575	9-1-09/8-31-10	\$ 100,998
Child Care and Development Block Grant	93.575	9-1-10/8-31-11	10,752
Total Child Care and Development Block Grant			<u>\$ 111,750</u>
Total U.S. Department of Health and Human Services			<u>\$ 7,228,377</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>CFDA #</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<u>Indirect Federal Awards:</u>			
Passed Through Iowa Department of Education:			
Child and Adult Care Food Program	10.558	10-1-09/9-30-10	\$ 632,176
Child and Adult Care Food Program	10.558	10-1-09/9-30-10	<u>238,337</u>
Total U.S. Department of Agriculture			\$ 870,513
<u>U.S. DEPARTMENT OF LABOR</u>			
<u>Indirect Federal Awards:</u>			
Passed Through Senior Service of America:			
Senior Community Service Employment Program	17.235	7-1-09/6-30-10	\$ 397,952
Senior Community Service Employment Program	17.235	7-1-10/6-30-11	109,969
ARRA - Senior Community Service Employment Program	17.235	2-17-09/6-30-10	<u>65,538</u>
Total Senior Service of America			\$ 573,459
Passed Through Iowa Workforce Development:			
Employment Service Cluster:			
Employment Service/Wagner Peysen Funded Activities	17.207	7-1-09/6-30-10	\$ 10,051
Employment Service/Wagner Peysen Funded Activities	17.207	7-1-10/6-30-11	12,140
Employment Service/Wagner Peysen Funded Activities	17.207	7-1-09/6-30-10	6,905
Employment Service/Wagner Peysen Funded Activities	17.207	7-1-10/6-30-11	2,066
Disabled Veterans' Outreach Program (DVOP)	17.801	7-1-09/6-30-10	2,594
Disabled Veterans' Outreach Program (DVOP)	17.801	7-1-10/6-30-11	828
Local Veteran's Employment Representative Program	17.804	7-1-09/6-30-10	6,767
Local Veteran's Employment Representative Program	17.804	7-1-10/6-30-11	15,108
Local Veteran's Employment Representative Program	17.804	7-1-09/6-30-10	3,492
Local Veteran's Employment Representative Program	17.804	7-1-10/6-30-11	<u>2,369</u>
Total Employment Service Cluster			\$ 62,320
Unemployment Insurance	17.225	7-1-09/6-30-10	\$ 29,353
Unemployment Insurance	17.225	7-1-10/6-30-11	<u>6,530</u>
Total Unemployment Insurance			\$ 35,883
Workforce Investment Act (WIA) National Emergency Grant	17.277		<u>\$ 200,769</u>
Total U.S. Department of Labor			\$ 872,431

COMMUNITY ACTION AGENCY OF SIOUXLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	CFDA #	Agency or Pass-Through Number	Federal Expenditures
<u>U.S. DEPARTMENT OF ENERGY</u>			
<u>Indirect Federal Awards:</u>			
Passed Through Iowa Department of Human Rights:			
Weatherization Assistance for Low-Income Persons	81.042	DOE-09-18R	\$ 24,536
ARRA - Weatherization Assistance for Low-Income Persons	81.042	DOE-ARRA-09-18R	1,375,280
Total U.S. Department of Energy			\$ 1,399,816
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Direct Federal Awards:</u>			
Emergency Shelter Grants Program	14.231	4-1-09/3-31-10	\$ 61,733
Emergency Shelter Grants Program	14.231	4-1-10/3-31-11	64,056
<u>Indirect Federal Awards:</u>			
Passed Through Iowa Department of Economic Development and the City of Sioux City:			
Emergency Shelter Grants Program	14.231	09-11-97005	12,168
Emergency Shelter Grants Program	14.231	10-11-97005	2,815
Total Emergency Shelter Grants Program			\$ 140,772
Passed Through Iowa Finance Authority:			
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	S09-DY-19-0001	\$ 154,053
Passed Through the City of Sioux City:			
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	S09-MY-19-0002	358,132
Total ARRA - Homelessness Prevention and Rapid Re-Housing Program			\$ 512,185
Total U.S. Department of Housing and Urban Development			\$ 652,957
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Indirect Federal Awards</u>			
Passed Through the Emergency Food and Shelter National Board Program:			
Emergency Food and Shelter National Board Program	97.024	12-1-09/11-30-10	\$ 16,000
Total Department of Homeland Security			\$ 16,000
Total Expenditures of Federal Awards			\$ 11,040,094

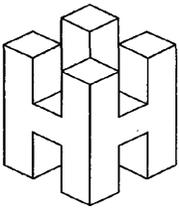
COMMUNITY ACTION AGENCY OF SIOUXLAND

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SEPTEMBER 30, 2010

Note 1 - BASIS OF ACCOUNTING

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



**HENJES, CONNER &
WILLIAMS, P.C.**

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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
Community Action Agency of Siouxland
Sioux City, Iowa

We have audited the accompanying financial statements of COMMUNITY ACTION AGENCY OF SIOUXLAND, (a nonprofit organization) as of and for the year ended September 30, 2010, and have issued our report thereon dated February 22, 2011. 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 Community Action Agency of Siouxland'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 an opinion on the effectiveness of the Community Action Agency of Siouxland's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Community Action Agency of Siouxland's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Agency of Siouxland's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

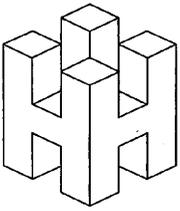
We noted certain other matters that we reported to management of Community Action Agency of Siouxland in a separate letter dated February 22, 2011.

This report is intended solely for the information and use of the audit committee, management, the Department of Health and Human Services, 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.

Hayler, Camer, & Williams, P.C.

Certified Public Accountants

Sioux City, Iowa
February 22, 2011



**HENJES, CONNER &
WILLIAMS, P.C.**

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

We have audited COMMUNITY ACTION AGENCY OF SIOUXLAND's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Community Action Agency of Siouxland's major federal programs for the year ended September 30, 2010. Community Action Agency of Siouxland's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Community Action Agency of Siouxland's management. Our responsibility is to express an opinion on the Agency'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 Community Action Agency of Siouxland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Community Action Agency of Siouxland's compliance with those requirements.

In our opinion, Community Action Agency of Siouxland complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2010.

Internal Control Over Compliance

Management of Community Action Agency of Siouxland is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered Community Action Agency of Siouxland's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures for the purpose of expressing

our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Community Action Agency of Siouxland's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action Agency of Siouxland's in-kind control over compliance.

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

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

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

Henju, Lauer, & Williams, P.C.
Certified Public Accountants

Sioux City, Iowa
February 22, 2011

COMMUNITY ACTION AGENCY OF SIOUXLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

PART I: SUMMARY OF INDEPENDENT AUDITORS' RESULTS

- a. An unqualified opinion was issued on the financial statements.
- b. No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements.
- c. No instances of non-compliance material to the financial statements were disclosed during the audit.
- d. No significant deficiencies relating to the audit of the major federal award programs are reported in the audit.
- e. An unqualified opinion was issued on compliance with requirements applicable to each major program.
- f. The audit did not disclose audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section 510(a).
- g. The programs tested as major programs include:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
• Head Start Cluster, Including	
• 93.600	Head Start
• 93.708	ARRA - Head Start
•	CSBG Cluster, Including
• 93.569	Community Services Block Grant
• 93.710	ARRA - Community Services Block Grant
• 10.558	Child/Adult Care Food Program
• 17.235	Senior Community Service Employment Program
	ARRA - Senior Community Service
	Employment Program
• 93.568	Low-Income Home Energy Assistance for Low-Income Persons
• 81.042	Weatherization Assistance for Low-Income Persons
	ARRA - Weatherization Assistance Program
• 14.257	ARRA - Homelessness Prevention and Rapid
	Re-Housing Program

- h. The dollar threshold used to distinguish between Type A and Type B programs was \$331,203.
- i. Community Action Agency of Siouxland did qualify as a low-risk auditee.

COMMUNITY ACTION AGENCY OF SIOUXLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

None Reported

PART III: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None Reported

PART IV: OTHER FINDINGS RELATED TO REQUIRED STATUTORY REPORTING

None Reported

COMMUNITY ACTION AGENCY OF SIOUXLAND
CORRECTIVE ACTION PLAN FOR FEDERAL AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2010

<u>Comment Number</u>	<u>Comment Title</u>	<u>Corrective Action Plan</u>	<u>Contact Person, Title Phone Number</u>	<u>Anticipated Date of Completion</u>
---------------------------	----------------------	-----------------------------------	---	---

There were no instances of noncompliance or reportable conditions relating to federal awards reported
Thus, no corrective actions need to be taken.

COMMUNITY ACTION AGENCY OF SIOUXLAND

SUMMARY SCHEDULE OF PRIOR FEDERAL AUDIT FINDINGS

YEAR ENDED SEPTEMBER 30, 2010

<u>Comment Reference</u>	<u>Comment Title</u>	<u>Status</u>	<u>If not Corrected, Provide Planned Corrective Action or Other Explanation</u>
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No instances of noncompliance or reportable conditions relating to federal awards were reported in the prior year.

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN RIGHTS

COMMUNITY SERVICE BLOCK GRANT NO. CSBG-09-18CR
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM OCTOBER 1, 2008 TO DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>
Co-Funded Programs		
Family Development and Self-Sufficiency	\$ 24,500	\$ 23,626
Housing	4,000	
Head Start/Early Head Start	171,256	171,320
LIHEAP	5,000	1,938
Senior Aides	68,800	70,507
Shared Visions	8,371	8,106
Wrap Arouns	436	
Child and Adult Care Food Program	11,000	17,962
Preschool Classroom	100	
Money Management	<u>8,150</u>	<u>8,154</u>
Total Expenditures	\$ <u>301,613</u>	\$ <u>301,613</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN RIGHTS

ARRA - COMMUNITY SERVICE BLOCK GRANT NO. CSBG-R9-18
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM APRIL 10, 2009 TO SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>
Personnel Costs	\$ 95,253	\$ 94,422
Space Costs	471	464
Consultants	21,000	21,000
Co-Funded Programs		
Senior Aides	12,970	13,439
Shared Visions	46,000	46,000
Wrap Arouns	10,000	10,000
Preschool Classroom	94,083	94,083
Other Costs	12,101	11,926
Indirect Costs	14,949	14,796
CSBG ARRA Programs	<u>145,409</u>	<u>146,106</u>
Total Expenditures	\$ <u>452,236</u>	\$ <u>452,236</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN RIGHTS

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM CONTRACT LIHEAP-10-18-R
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM OCTOBER 1, 2009 TO SEPTEMBER 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Regular Assistance	\$ 2,420,899	\$ 2,414,343
Energy Crisis Assistance	105,152	105,152
Client Services	31,019	31,019
Summer Fuel Delivery	54,845	54,845
Administration	<u>143,940</u>	<u>143,940</u>
Total	\$ <u>2,755,855</u>	\$ <u>2,749,299</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
US DEPARTMENT OF HUMAN RIGHTS

HEAD START GRANT NO. 07CH 7018(38)
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM MARCH 1, 2009 TO FEBRUARY 28, 2010

	<u>Budget</u>	<u>Actual</u>
<u>REVENUES</u>		
Grant Revenue	\$ 2,360,416	\$ 2,360,416
Other Revenue		135,690
CSBG Support Revenue		170,696
Grantee's Contribution - In Kind	<u>590,123</u>	<u>799,516</u>
Total Revenue	\$ <u>2,950,539</u>	\$ <u>3,466,318</u>
<u>EXPENSES – GRANTOR'S SHARE</u>		
P/A 20 T/TA	\$ 31,148	\$ 25,184
P/A 22	2,001,489	2,013,206
P/A 22 Administrative	327,779	297,442
P/A 26		<u>24,584</u>
Total Grantor's Share	\$ 2,360,416	\$ 2,360,416
Expenses - CACFP		135,690
Expenses - CSBG Co-Funded (Indirect)		170,696
Expenses - Grantee's Share (In-Kind) - P/A 22	\$ <u>590,123</u>	<u>799,516</u>
Total Expenses	\$ <u>2,950,539</u>	\$ <u>3,466,318</u>

EARLY HEAD START GRANT NO. 07CH 7018(38)
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM MARCH 1, 2009 TO FEBRUARY 28, 2010

	<u>Budget</u>	<u>Actual</u>
<u>REVENUES</u>		
Grant Revenue	\$ 682,881	\$ 682,881
Grantee's Contribution – In Kind	170,701	386,672
CSBG Support Revenue		<u>23,357</u>
Total Revenue	\$ <u>853,582</u>	\$ <u>1,092,910</u>
<u>EXPENSES – GRANTOR'S SHARE</u>		
P/A 11 T/TA	\$ 16,173	\$ 19,026
P/A 25	557,078	565,051
P/A 25 – Administrative	<u>109,630</u>	<u>98,804</u>
Total Grantor's Share	\$ 682,881	\$ 682,881
Expenses – CSBG Co-Funded		\$ 23,357
Expenses – Grantee's Share (In-Kind) – P/A 25	\$ <u>170,701</u>	<u>386,672</u>
Total Expenses	\$ <u>853,582</u>	\$ <u>1,092,910</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
US DEPARTMENT OF HUMAN RIGHTS

ARRA - HEAD START GRANT NO. 07SE 7018/01
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>
<u>REVENUES</u>		
Grant Revenue	\$ 170,064	\$ 170,064
CSBG Support Revenue		4,423
Grantee's Contribution - In Kind	<u>42,516</u>	<u>44,285</u>
Total Revenue	\$ <u>212,580</u>	\$ <u>218,772</u>
<u>EXPENSES – GRANTOR'S SHARE</u>		
P/A 22 Quality	\$ 130,007	\$ 130,007
P/A 22 COLA	34,625	38,448
P/A 22 Administrative/COLA	<u>5,432</u>	<u>1,609</u>
Total Grantor's Share	\$ 170,064	\$ 170,064
Expenses - CSBG Co-Funded (Indirect)		3,898
Expenses - Grantee's Share (In-Kind) - P/A 22	<u>42,516</u>	<u>44,285</u>
Total Expenses	\$ <u>212,580</u>	\$ <u>218,247</u>

ARRA - EARLY HEAD START GRANT NO. 07SE 7018/01
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>
<u>REVENUES</u>		
Grant Revenue	\$ 57,838	\$ 57,838
Grantee's Contribution - In Kind	14,460	15,041
CSBG Support Revenue		<u>1,458</u>
Total Revenue	\$ <u>72,298</u>	\$ <u>74,337</u>
<u>EXPENSES – GRANTOR'S SHARE</u>		
P/A 25 Quality	\$ 45,935	\$ 45,933
P/A 25 COLA	9,573	11,011
P/A 25 – Administrative/COLA	<u>2,330</u>	<u>894</u>
Total Grantor's Share	\$ 57,838	\$ 57,838
Expenses - CSBG Co-Funded		1,458
Expenses - Grantee's Share (In-Kind) - P/A 25	<u>14,460</u>	<u>15,041</u>
Total Expenses	\$ <u>72,298</u>	\$ <u>74,337</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN RIGHTS

WEATHERIZATION ASSISTANCE PROGRAMS
CONTRACT HEAP 09-18R
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JANUARY 1, 2009 TO DECEMBER 31, 2009

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Administration	\$ 21,358	\$ 12,146
Support	93,593	55,858
Health and Safety	72,200	89,263
Labor	97,604	61,143
Materials	97,604	54,570
Liability Insurance	9,844	9,844
Training/Equipment	<u>10,000</u>	<u> </u>
Total Expenses	\$ <u>402,203</u>	\$ <u>282,824</u>

WEATHERIZATION ASSISTANCE PROGRAMS
CONTRACT MEC-09-18R
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JANUARY 1, 2009 TO DECEMBER 31, 2009

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Administration	\$ 10,134	\$ 10,134
Support	20,271	17,677
Labor	86,152	86,776
Materials	<u>86,152</u>	<u>88,122</u>
Total Expenses	\$ <u>202,709</u>	\$ <u>202,709</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN RIGHTS

WEATHERIZATION ASSISTANCE PROGRAMS
CONTRACT BHE-09-18R

SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JANUARY 1, 2009 TO DECEMBER 31, 2009

	<u>Budget</u>	<u>Actual</u>
<u>EXPENSES</u>		
Administration	\$ 454	\$ 454
Support	908	654
Labor	3,862	2,808
Materials	<u>3,862</u>	<u>4,579</u>
Total Expenses	\$ <u>9,086</u>	\$ <u>8,495</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN SERVICES

WRAP AROUND CHILD CARE GRANT
CONTRACT DCFS-09-089-6

SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM SEPTEMBER 1, 2009 TO AUGUST 31, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Iowa Department of Human Services		
Personnel and Fringe Benefits	\$ 98,300	\$ 98,511
Assistance to Individuals	200	11,219
Supplies and Materials	1,600	1,563
Printing, Publications and Postage	-	37
Insurance	700	489
Other	-	4,115
Indirect	<u>10,200</u>	<u>16,085</u>
Total	\$ 111,000	\$ 132,019
Less: CACFP		11,019
CSBG Co-Funded	<u>-</u>	<u>10,000</u>
Total Expenses	\$ <u>111,000</u>	\$ <u>111,000</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF HUMAN RIGHTS
DIVISION OF COMMUNITY ACTION AGENCIES

FAMILY DEVELOPMENT AND SELF-SUFFICIENCY GRANT CONTRACT FADSS-10-18-FR
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Indirect Costs - Administrative	\$ 186	\$ 595
Indirect Costs - CSBG	-	18,342
Personnel Wages	87,113	87,825
Benefits	34,110	33,085
Travel	8,073	7,608
Space Costs/Utilities/Telephone	5,822	5,688
Supplies/Printing	1,250	1,368
Postage	200	168
Other Costs	<u>769</u>	<u>2,522</u>
Total	\$ 137,523	\$ 157,201
Less: CSBG Co-Funded	<u> </u>	<u>19,678</u>
Total Expenses	\$ <u>137,523</u>	\$ <u>137,523</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
IOWA DEPARTMENT OF EDUCATION

CHILD DEVELOPMENT SHARED VISION GRANT WO-10-0495-123
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Iowa Department of Education		
Personnel and Fringe Benefits	\$ 59,755	\$ 56,294
Travel and Training	150	165
Supplies	800	880
Other	2,501	2,651
Administrative Costs	531	3,747
 In-Kind	 <u>12,748</u>	 <u>51,163</u>
 Total Expenses	 \$ <u>76,485</u>	 \$ <u>114,900</u>

CHILD DEVELOPMENT SHARED VISION GRANT WO-10-0497-122
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Iowa Department of Education		
Personnel and Fringe Benefits	\$ 51,765	\$ 51,679
Travel and Training	150	80
Supplies	900	990
Other	4,549	4,615
Administrative Costs	6,373	6,373
 In-Kind	 <u>12,748</u>	 <u>28,369</u>
 Total Expenses	 \$ <u>76,485</u>	 \$ <u>92,106</u>

CHILD DEVELOPMENT SHARED VISION GRANT WO-10-0496-124
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Iowa Department of Education		
Personnel and Fringe Benefits	\$ 48,280	\$ 48,005
Travel and Training	150	75
Supplies	2,740	2,548
Other	6,194	6,736
Administrative Costs	6,373	6,373
 In-Kind	 <u>12,748</u>	 <u>39,015</u>
 Total Expenses	 \$ <u>76,485</u>	 \$ <u>102,752</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

EMERGENCY FOOD AND SHELTER PROGRAM
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM DECEMBER 1, 2009 TO SEPTEMBER 30, 2010

	<u>Budget</u>	<u>Actual</u>
<u>REVENUE</u>		
FEMA Grant	\$ <u>16,000</u>	\$ <u>16,000</u>
 <u>EXPENSES</u>		
Participant and Client Assistance	\$ <u>16,000</u>	\$ <u>16,000</u>

EMERGENCY SHELTER GRANTS PROGRAM CONTRACT 09-HES-001
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>
<u>EXPENSES</u>		
Iowa Department of Economic Development and Iowa Institute for Community Alliances		
ESG Fairmount Expenses	\$ 3,500	\$ 5,160
ESG South Helen Expenses	7,000	5,730
Salaries and Benefits	<u>7,500</u>	<u>7,110</u>
	\$ 18,000	\$ 18,000
In-Kind	<u>18,000</u>	<u>18,574</u>
 Total Expenses	 \$ <u>36,000</u>	 \$ <u>36,574</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
WOODBURY COUNTY BOARD OF SUPERVISORS

GENERAL RELIEF
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>
<u>REVENUE</u>		
Board of Supervisors	\$ <u>239,200</u>	\$ <u>171,175</u>
 <u>EXPENSES</u>		
Client Burials	\$ 8,500	\$ 11,190
Client Incidentals	200	9
Client Medical	3,500	3,896
Client Transportation	4,500	7,786
Client Utilities	60,000	30,290
Client Shelter	135,000	90,504
Other	<u>27,500</u>	<u>27,500</u>
	\$ <u>239,200</u>	\$ <u>171,175</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
SENIOR SERVICES OF AMERICA, INC.

ARRA - SENIOR AIDES (TITLE V) PROGRAM - PROJECT 77-GRANT NO. AD-18413-09-60-A-24
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM FEBRUARY 17, 2009 TO JUNE 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Personnel		
Wages and Employee Benefits	\$ 72,768	\$ 72,845
Fringe Benefits		
FICA	5,567	5,572
Workers' Compensation	662	672
Incidentals	92	
Program - Other		
Sponsor Staff Cost	31,150	26,814
Incidentals	2,100	2,100
Transportation	25	
Training	500	190
Other Program Costs	6,788	3,113
Project Administration		
Other Admin Costs	<u>225</u>	<u>225</u>
Total Federal Share	\$ <u>119,877</u>	\$ <u>111,531</u>

COMMUNITY ACTION AGENCY OF SIOUXLAND
SENIOR SERVICES OF AMERICA, INC.

SENIOR AIDES (TITLE V) PROGRAM – PROJECT 77-GRANT NO. AD-16177-07-60-A-24
SCHEDULE OF GRANT/CONTRACT ACTIVITY
FOR THE PERIOD FROM JULY 1, 2009 TO JUNE 30, 2010

<u>EXPENSES</u>	<u>Budget</u>	<u>Actual</u>
Personnel:		
Wages and Employee Benefits	\$ 396,983	\$ 397,547
Fringe Benefits		
FICA	30,370	30,412
Workers' Compensation	3,768	3,187
Incidentals	100	75
Program – Other:		
Sponsor Staff Cost	44,896	45,161
Incidentals	100	29
Transportation	100	316
Training	2,500	2,090
Project Administration:		
Other Admin Costs	<u>5,080</u>	<u>5,080</u>
Total Federal Share	\$ <u>483,897</u>	\$ <u>483,897</u>

US DEPARTMENT OF AGRICULTURE

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY
AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS

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

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

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

Community Action Agency of Siouxland
Organization Name

CACFD (Child and Adult Care Food Program)
PR/Award Number or Project Name

Vicky Hollingshead, Fiscal Officer
Name and Title of Authorized Representative

Vicky Hollingshead Signature 2-22-11 Date

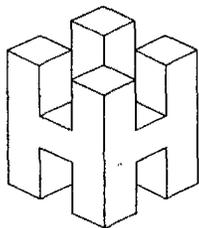
COMMUNITY ACTION AGENCY OF SIOUXLAND

SCHEDULE OF REVENUE AND EXPENSES

INDIRECT COST ALLOCATION POOLS

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Administration</u>	<u>Neighborhood Services</u>	<u>Total</u>
<u>REVENUE</u>			
Reimbursed by Programs	\$ 595,371	\$ 207,590	\$ 802,961
Miscellaneous	<u>16,472</u>	<u> </u>	<u>16,472</u>
Total Revenue	\$ 611,843	\$ 207,590	\$ 819,433
<u>EXPENSES</u>			
Personnel	\$ 389,066	\$ 127,199	\$ 516,265
Fringe Benefits and Payroll Taxes	114,291	48,988	163,279
Travel	7,272	57	7,329
Rent	15,880	20,552	36,432
Repair and Maintenance		613	613
Utilities and Telephone	4,769	1,221	5,990
Supplies and Materials	32,681	6,180	38,861
Printing, Publications and Postage	7,568	730	8,298
Insurance	8,176	963	9,139
Miscellaneous	<u>32,140</u>	<u>1,087</u>	<u>33,227</u>
Total Expenses	\$ <u>611,843</u>	\$ <u>207,590</u>	\$ <u>819,433</u>
(Deficiency) of Revenues Over Expenditures	<u> </u>	<u> </u>	<u> </u>



**HENJES, CONNER &
WILLIAMS, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

800 FRANCES BUILDING
505 FIFTH STREET
P.O. BOX 1528
SIOUX CITY, IOWA 51102

PH. (712) 277-3931
(800) 274-3931
FAX (712) 233-3431

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

We have audited the financial statements of COMMUNITY ACTION AGENCY OF SIOUXLAND for the year ended September 30, 2010, and have issued our report thereon dated February 22, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 5, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Community Action Agency of Siouxland are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2010. We noted no transactions entered into by Community Action Agency of Siouxland during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of the depreciable lives of capital assets and the health insurance accrual. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We have evaluated the disclosures in the financial statements and they are neutral, consistent, and clear in relation to the financial statements taken as a whole. The most sensitive disclosures affecting the financial statements were:

Property and Equipment in Note 2, Receivables in Note 5, Notes Receivable in Note 6, Notes Payable in Note 8, and Group Health Insurance in Note 10 to the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. A schedule that summarizes the corrected misstatements of the financial statements is available upon request.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We requested and received certain representations from management that are included in the management representation letter dated February 22, 2011.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Community Action Agency of Siouxland's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Community Action Agency of Siouxland's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention. During the course of our audit, we noted the following matters that we want to communicate to you:

1. The last payroll processed for the fiscal year and paid after year end automatically posts to cash and associated payroll expense accounts rather than being recorded as an accrued payroll liability. This adjustment is required each year, management should monitor the posting of the year-end payroll and gather the information necessary to record the payable.

2. During our testing of property and equipment we noted some items that exceeded the Agency's capitalization limit that had not been properly capitalized. Management should monitor asset acquisitions for proper capitalization.
3. During our testing of the net asset balances, we noted that immaterial adjustments have been made to the net asset accounts to prevent fund net income from being closed to the general fund. These adjustments have caused the misstatement of fund activity and net asset balances. In the future these adjustments should be made after the closure of the annual activity so that current year activity is not misstated.

This information is intended solely for the use of the board members and management of Community Action Agency of Siouxland and is not intended to be and should not be used by anyone other than these specified parties.

Huyler, Cannon, & Williams, P.C.

Certified Public Accountants

Sioux City, Iowa
February 22, 2011