

**SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2009**

**SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Southeastern Idaho Community Action Agency, Inc.  
Pocatello, Idaho

We have audited the accompanying statement of financial position of Southeastern Idaho Community Action Agency, Inc. (a nonprofit organization) as of December 31, 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the 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 Southeastern Idaho Community Action Agency, Inc. as of December 31, 2009, 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 September 20, 2010, on our consideration of Southeastern Idaho Community Action Agency, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Southeastern Idaho Community Action Agency, Inc. taken as a whole. The combining financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 State, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pocatello, Idaho  
September 20, 20010

SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.

STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2009

ASSETS

**CURRENT ASSETS**

Cash	\$ 885,391
Receivable from grantor	684,588
Accounts receivable	537,882
Accounts receivable affiliate	30,456
	2,138,317

**FIXED ASSETS**

Buildings and land	7,633,183
Equipment and furniture	795,440
Loan fees	181,798
	8,610,421
Less accumulated depreciation and amortization	(3,546,169)
	5,064,252

**OTHER ASSETS**

Assets held for sale	935,629
Self help notes receivable	61,608
Escrows and reserves	345,143
Tenant deposits held in trust	34,709
	1,377,089
	\$ 8,579,658

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Deferred revenue	\$ 811,987
Accounts payable	396,356
Accounts payable - affiliate	30,456
Accrued salaries	113,673
Accrued payroll liabilities	49,611
Accrued interest payable	20,696
Current portion of long-term debt	115,588
Tenant deposits held in trust	35,001
	1,573,368

**LONG-TERM DEBT**

Mortgage payable - net of current portion	4,317,378
Flexible subsidy	514,638
Long-term liability - shop funds	785,000
	5,617,016

**NET ASSETS**

Unrestricted	1,381,085
Temporarily restricted	8,189
	1,389,274
	\$ 8,579,658

SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Government grants	\$ -	\$ 3,632,758	\$ 3,632,758
Rent services	1,011,613	-	1,011,613
Interest	6,865	-	6,865
Local, in-kind, and other	415,199	921,425	1,336,624
Net assets released from restriction	4,561,855	(4,561,855)	-
	<u>5,995,532</u>	<u>(7,672)</u>	<u>5,987,860</u>
<b>FUNCTIONAL EXPENSES</b>			
Operating funds	322,032	-	322,032
Community services	1,820,839	-	1,820,839
Community development	1,981,958	-	1,981,958
Senior services	374,004	-	374,004
Housing funds	1,316,426	-	1,316,426
	<u>5,815,259</u>	<u>-</u>	<u>5,815,259</u>
<b>CHANGES IN NET ASSETS</b>	180,273	(7,672)	172,601
<b>CONTRIBUTED CAPITAL</b>	162,387	-	162,387
<b>BEGINNING NET ASSETS</b>	<u>1,041,768</u>	<u>12,518</u>	<u>1,054,286</u>
<b>ENDING NET ASSETS</b>	<u>\$ 1,384,428</u>	<u>\$ 4,846</u>	<u>\$ 1,389,274</u>

**SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Operating Funds	Community Services	Community Development	Senior Services	Housing Funds	Total
Administration						
Salaries and fringe benefits	\$ 237,932	\$ 172,052	-	-	-	\$ 409,984
Indirect costs and other	31,131	151,457	150,024	33,792	-	366,404
Operations						
Insurance	-	10,800	24,737	6,277	-	41,814
Travel and training	-	52,507	29,735	18,774	-	101,016
Client benefits	-	626,203	634,458	182,298	-	1,442,959
Salaries and fringe benefits	-	532,362	687,086	101,597	-	1,321,045
Space and storage	-	67,865	15,176	4,357	-	87,398
Leases and equipment	-	41,130	25,177	-	-	66,307
Supplies and Communications	-	88,892	205,296	14,130	-	308,318
Other	-	77,571	210,269	12,779	-	300,619
Housing administration	-	-	-	-	203,110	203,110
Utilities	-	-	-	-	123,038	123,038
Operating and maintenance	-	-	-	-	300,807	300,807
Taxes and insurance	-	-	-	-	94,291	94,291
Depreciation	46,170	-	-	-	209,625	255,795
Interest	-	-	-	-	258,797	258,797
Other expense	6,799	-	-	-	126,758	133,557
	<u>\$ 322,032</u>	<u>\$ 1,820,839</u>	<u>\$ 1,981,958</u>	<u>\$ 374,004</u>	<u>\$ 1,316,426</u>	<u>\$ 5,815,259</u>

The notes to financial statements are an integral part of these financial statements

SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**CASH FLOWS FROM OPERATING ACTIVITIES**

Grants and program revenue	\$ 3,488,959
Rents and services revenue	739,341
Interest income	6,865
Other revenue	1,300,263
Cash paid to suppliers and employees	(5,035,645)
Interest paid	(13,653)
Net cash provided by operating activities	<u>486,130</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Acquisition of equipment	(598,870)
Deposits to restricted accounts	(93,854)
Proceeds from restricted accounts	824,127
Purchase of investment property	(642,239)
Sale of investment property	174,373
Net cash used by investing activities	<u>(336,463)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from issuance of debt	120,000
Principal paid on notes payable	(37,688)
Net cash provided by financing activities	<u>82,312</u>

**NET INCREASE IN CASH**

231,979

**BEGINNING CASH**

653,412

**ENDING CASH**

\$ 885,391

**RECONCILIATION OF CHANGES IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

**CHANGES IN NET ASSETS**

\$ 172,601

**ADJUSTMENT TO RECONCILE CHANGES IN NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Depreciation	255,795
Non-cash rent revenue	(271,718)
Non-cash interest expense	245,144
(Increase) decrease in current assets	
Receivables from grantors	(418,149)
Accounts receivable	(528,979)
Self help notes receivable	(39,704)
Prepaid expense	2,978
Tenant deposits held	(554)
Increase (decrease) in current liabilities	
Deferred revenue	806,672
Accounts payable	207,637
Accrued payroll and liabilities	54,157
Accrued interest	(309)
Tenant deposits payable	559
	<u>313,529</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

\$ 486,130

SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

PROGRAM OR CLUSTER TITLE FEDERAL GRANTOR/PASS-THROUGH GRANTOR	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Energy</b>			
Pass-through from the State of Idaho			
Weatherization Assistance for Low Income Persons	81.042*	-	\$ 414,039
Weatherization Assistance for Low Income Persons ARRA	81.042*		691,477
			<u>1,105,516</u>
<b>U.S. Department of Health and Human Services</b>			
Pass-through State of Idaho Health & Welfare			
Low Income Home Energy Assistance	93.568*	-	971,233
Community Service Block Grant	93.569*	-	360,730
Community Service Block Grant ARRA	93.710*	-	199,057
Pass-through Southeast Idaho Council of Governments			
Special Programs for the Aging			
Nutrition Services	93.045	-	62,702
Nutrition Services ARRA	93.705*	-	9,153
			<u>1,602,875</u>
<b>U.S. Department of Agriculture</b>			
Rural Self-Help Housing Technical Assistance (Section 523)	10.420	-	129,995
Pass-through Southeast Idaho Council of Governments			
Nutritional Program for the Elderly	10.570	-	25,015
Pass-through from the State of Idaho			
USDA	10.568	-	22,169
USDA ARRA	10.568*		11,289
Food Commodities (Note C)	10.569*	-	334,528
			<u>522,996</u>
<b>U.S. Department of Housing and Urban Development (HUD)</b>			
Interest Reduction Payments Rental and Cooperative Housing			
For Lower Income Families (Note B)	14.103*	-	11,478
Supportive Housing for the Elderly (Note B)	14.155*	-	3,617,226
Lower Income Housing Assistance Program - Section 8 (Note B)	14.856*	-	544,087
Loan Guarantees (South Oak Apartments) (Note B)	14.135*	-	59,808
Operating Assistance for Troubled Multifamily Housing (Note B)	14.164*	-	514,638
Self-Help Homeownership Opportunity Program	14.247*	-	775,000
Pass-through from Idaho Housing Association			
Emergency Shelter Grant	14.231	-	15,831
Supportive Housing Program	14.235	-	138,599
Home Investment Partnership Program	14.239	-	27,890
Homelessness Prevention and Rapid Re-housing	14.257*	-	95,822
			<u>5,800,379</u>
<b>Corporation for National and Community Service</b>			
Retired Senior Volunteer Program	94.002	-	77,889
<b>Department of Home Land Security</b>			
Emergency Food and Shelter National Board Programs	97.114	-	27,998
Emergency Food and Shelter National Board Programs ARRA	97.114*	-	22,858
			<u>50,856</u>
Total Expenditures of Federal Awards			<u><u>\$ 9,160,511</u></u>

\* - Major Federal Award

SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**NOTE A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southeastern Community Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B - U.S. Department of Housing and Urban Development**

The criteria used to determine major financial assistance are the outstanding loan balances at December 31, 2009. The outstanding loan balances as of December 31, 2009 were as follows:

Supporting Housing for the Elderly	\$ 3,617,226
Operating Assistance for Troubled Multifamily Housing	514,638
Interest Reduction Payments Rental and Cooperative Housing	11,478
Loan Guarantees (South Oak Apartments)	59,808
Lower Income Housing Assistance Program - Section 8	544,087
	<u>\$ 4,747,237</u>

**NOTE C - Food Distribution**

Non-monetary assistance in USDA funds is reported in the schedule at the fair market value of the commodities received and disbursed.

SOUTHEASTERN IDAHO COMMUNITY ACTION AGENCY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Southeastern Idaho Community Action Agency, Inc.
2. No reportable conditions were disclosed during the audit of the financial statements or reported in the Independent Auditor's Report.
3. There were no instances of noncompliance material to the financial statements of Southeastern Idaho Community Action Agency, Inc.
4. No reportable conditions relating to the audit of major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Southeastern Idaho Community Action Agency, Inc. expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for Southeastern Idaho Community Action Agency, Inc. are reported in this Schedule.
7. The programs tested as major programs include: U.S. Department of Energy, CFDA #81.042, U.S. Department of Health and Human Services, CFDA #93.568, #93.569, #93.705, and #93.710, U.S. Department of Agriculture CFDA #10.568, and #10.569, U.S. Department of Housing and Urban Development (HUD) CFDA #14.103, #14.155, #14.135, #14.164, #14.247, #14.257, and #14.856, and Department of Home Land Security CFDA #97.114.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Southeastern Idaho Community Action Agency, Inc. was considered a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None