



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B34958

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

July 7, 2009

Board of Directors
Western Indiana Community Action Agency, Inc.
705 S. 5th St., P.O. Box 1018
Terre Haute, IN 47808

We have reviewed the audit report prepared by Wipfli, LLP, Independent Public Accountants, for the period January 1, 2007 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Western Indiana Community Action Agency, Inc., as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**Western Indiana Community Action
Agency, Inc.**

Terre Haute, Indiana

Financial Statements and Additional Information
Year Ended December 31, 2007

Western Indiana Community Action Agency, Inc.

Financial Statements and Additional Information
Year Ended December 31, 2007

Table of Contents

Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements.....	6
Additional Information	
Schedule of Program Activity.....	11
Schedule of Expenditures of Federal Awards and List of Programs.....	15
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	18
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	20
Schedule of Findings and Questioned Costs.....	22



Independent Auditor's Report

Board of Directors
Western Indiana Community Action Agency, Inc.
Terre Haute, Indiana

We have audited the accompanying statement of financial position of Western Indiana Community Action Agency, Inc. (a nonprofit organization) as of December 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Western Indiana Community Action Agency, Inc.'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 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 Western Indiana Community Action Agency, Inc. as of December 31, 2007, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2008, on our consideration of Western Indiana 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 considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Western Indiana Community Action Agency, Inc. taken as a whole. The accompanying schedule of program activity, Schedule A-1 to A-4, and schedule of expenditures of federal awards and list of programs, Schedule B-1 to B-3, which include the requirements of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information in these schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Wipfli LLP

September 22, 2008
Madison, Wisconsin

Western Indiana Community Action Agency, Inc.

Statement of Financial Position

December 31, 2007

<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 324,949
Grants receivable	624,655
Accounts receivable	50,422
Prepaid expenses	85,084
Inventory	45,174
Total current assets	1,130,284
Beneficial interest held by community foundation	5,399
Property and equipment, net	882,792
TOTAL ASSETS	\$ 2,018,475
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current maturities of mortgage payable	\$ 22,243
Accounts payable	471,919
Accrued payroll and related liabilities	194,670
Grant funds received in advance	28,346
Total current liabilities	717,178
Long-term liabilities:	
Mortgage payable	484,145
Total liabilities	1,201,323
Net assets:	
Unrestricted	811,753
Temporarily restricted	399
Permanently restricted	5,000
Total net assets	817,152
TOTAL LIABILITIES AND NET ASSETS	\$ 2,018,475

See accompanying notes to financial statements.

Western Indiana Community Action Agency, Inc.

Statement of Activities

Year Ended December 31, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and support:				
Grant revenue	\$ 5,713,114	\$ 0	\$ 0	\$ 5,713,114
Other income	575,547	0	0	575,547
Investment income	5,517	399	0	5,916
In-kind revenue	25,857	0	0	25,857
Net assets released from restrictions	4,668	(4,668)	0	0
Total revenue and support	6,324,703	(4,269)	0	6,320,434
Expenses:				
Program activities:				
Energy assistance	2,648,645	0	0	2,648,645
Child education	1,387,347	0	0	1,387,347
Food programs	459,533	0	0	459,533
Senior programs	283,074	0	0	283,074
Weatherization	196,252	0	0	196,252
Discretionary	232,177	0	0	232,177
Community services	389,149	0	0	389,149
Total program expenses	5,596,179	0	0	5,596,179
Supportive services:				
Management and general	427,918	0	0	427,918
Total expenses	6,024,097	0	0	6,024,097
Change in net assets	300,606	(4,269)	0	296,337
Net assets - December 31, 2006	511,147	4,668	5,000	520,815
Net assets - December 31, 2007	\$ 811,753	\$ 399	\$ 5,000	\$ 817,152

Western Indiana Community Action Agency, Inc.

Statement of Cash Flows Year Ended December 31, 2007

Increase (decrease) in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets	\$ 296,337
----------------------	------------

Adjustments to reconcile change in net assets to net cash used in operating activities:

Depreciation	75,244
Bad debt expense	18,284
Increase in beneficial interest held by community foundation	(328)
Gain on sale of equipment	(501)
Changes in operating assets and liabilities:	
Grants receivable	(110,557)
Accounts receivable	(50,422)
Prepaid expenses	(53,599)
Inventory	367
Accounts payable	(498,219)
Accrued payroll and related liabilities	(1,482)
Grant funds received in advance	8,624

Net cash used in operating activities	(316,252)
---------------------------------------	------------

Cash flows from investing activities:

Proceeds from sale of equipment	501
Capital expenditures	(262,182)

Net cash used in investing activities	(261,681)
---------------------------------------	------------

Cash flows from financing activities:

Payments on mortgage payable	(47,682)
------------------------------	-----------

Net cash used in financing activities	(47,682)
---------------------------------------	-----------

Change in cash and cash equivalents	(625,615)
-------------------------------------	------------

Cash and cash equivalents - December 31, 2006	950,564
---	---------

Cash and cash equivalents - December 31, 2007	\$ 324,949
---	------------

Schedule of other cash activity:

Interest paid and expensed	\$ 29,268
----------------------------	-----------

Western Indiana Community Action Agency, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Nature of Operations

Western Indiana Community Action Agency, Inc. (WICAA) was organized as a nonprofit corporation in 1964. WICAA was formed to provide the planning and development of programs that intervene at critical points in the cause of poverty and will enable families and individuals to become more self-sufficient, to provide continuing research related to the problems in poverty, and to provide coordination for community efforts focused on poverty and community development. WICAA is primarily supported through federal and state government grants. Approximately 26% and 49% of WICAA's grant revenue was earned under the federal Head Start and Low-Income Energy Assistance programs, respectively. WICAA's federal identification number is 35-1115813.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of WICAA and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by WICAA. Generally, the donors of these assets permit WICAA to use all or part of the income earned on any related investments for general or specific purposes. Permanently restricted net assets include amounts held by the Wabash Valley Community Foundation, who has ultimate control over the assets in the fund.

Use of Estimates

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

Western Indiana Community Action Agency, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, WICAA considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Inventory

Inventory, which consists of weatherization materials, is stated at the lower of cost or market on a first-in, first-out (FIFO) basis.

Property and Equipment

Property and equipment greater than \$5,000 are capitalized at cost and depreciated over the estimated useful lives of the assets using the straight-line method.

Property and equipment purchased with grant funds are owned by WICAA while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. The disposition of property and equipment, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds was \$349,227 at December 31, 2007.

Income Taxes

WICAA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. WICAA is also exempt from Indiana state income tax.

Beneficial Interest Held by Community Foundation

Investments are held by Wabash Valley Community Foundation and represent funds transferred for which WICAA is the sole beneficiary. The investments are recorded at fair value. Changes in fair value of the investments are recorded as temporarily restricted investment income in the statement of activities.

In-Kind Contributions

WICAA records in-kind contributions for space, supplies, and professional services in the statement of activities in accordance with Statement of Financial Accounting Standard No. 116 (FAS 116), *Accounting for Contributions Received and Contributions Made*. FAS 116 requires that only contributions of service received that create or enhance a nonfinancial asset or require specialized skills by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of FAS 116 are different than the in-kind requirements of several of WICAA's grant awards. WICAA received contributions of nonprofessional volunteer services during the year with a value of \$413,811 primarily for its Head Start, Retired and Senior Volunteer, School Aged Child Care, and Foster Grandparent programs.

Western Indiana Community Action Agency, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Accounts Receivable

Accounts receivable represent amounts due from various entities for the provision of child care. Based on history of collections from the clients, all amounts have been deemed collectible and no allowance for bad debts has been established. If amounts become uncollectible, they will be written off when that determination is made.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to WICAA that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

B. Grant Awards that are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Cost Allocation

Joint costs are allocated to benefiting programs using various allocation methods, depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all organization programs, which cannot be readily identified with a final cost objective.

Western Indiana Community Action Agency, Inc.

Notes to Financial Statements

Note 2 Concentration of Credit Risk

WICAA maintains cash balances at one bank. Accounts at this bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. The bank balance in excess of FDIC coverage is collaterally secured by the bank through a pledged security up to \$3,000,000. At December 31, 2007, WICAA had balances in excess of FDIC coverage in the amount of \$472,608, which were collaterally secured.

Note 3 Grants Receivable

WICAA's grants receivable as of December 31, 2007, was \$624,655 from federal programs.

Note 4 Property and Equipment

Property and equipment at December 31, 2007, were as follows:

Land	\$ 34,836
Buildings and building improvements	717,965
Equipment	672,616
<hr/>	
Subtotal	1,425,417
Less - Accumulated depreciation	542,625
<hr/>	
Property and equipment, net	\$ 882,792

Note 5 Mortgage Payable

The mortgage payable is in the amount of \$506,388 to First Financial Bank at 5.5% annual interest with monthly payments of \$4,128 (principal and interest). The mortgage is due August 13, 2024. The mortgage is collateralized by property owned by WICAA. Current maturities were \$22,243 as of December 31, 2007.

Future maturities are as follows:

2008	\$ 22,243
2009	23,498
2010	24,823
2011	26,223
2012	27,703
Thereafter	381,898
<hr/>	
Total	\$ 506,388

Western Indiana Community Action Agency, Inc.

Notes to Financial Statements

Note 6 Retirement Plan

WICAA has a defined contribution retirement plan authorized under Section 403(b) of the Internal Revenue Code. The plan is open to all employees who have been employed by WICAA for at least one year. The retirement benefits are fully vested with the employee at the time of contribution. WICAA will match employee contributions to a maximum total contribution of 6% of employees' earnings. Contributions for the year ended December 31, 2007, were \$29,658.

Note 7 Leases

WICAA is committed under several operating leases related to its centers. Rent expense for these operating leases amounted to \$17,661 for the year ended December 31, 2007. Future rental commitments under operating leases with terms of greater than one year are as follows:

2008	\$	15,293
2009		15,293
2010		11,174
2011		2,531
2012		1,992
<hr/>		
Total	\$	46,283

Note 8 Grant Awards

At December 31, 2007, WICAA had commitments under various grants of approximately \$2,643,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Note 9 Beneficial Interest Held by Community Foundation

Statement of Financial Accounting Standard No. 136 (FAS 136), *Transfer of Assets to a Not-for-Profit or Charitable Trust That Raises or Holds Contributions for Others*, requires, among other things, that assets held by an unrelated not-for-profit solely for the benefit of another not-for-profit (beneficiary) be recorded on the beneficiary not-for-profit's financial statements. The value of the assets is to be recorded on the statement of financial position as a long-term asset with a corresponding restricted net asset balance. Any change in the asset value during the fiscal period is to be recorded in the statement of activities as an increase or decrease in net assets.

During 2006, WICAA transferred \$5,000 to Wabash Valley Community Foundation. The agreement with Wabash Valley Community Foundation states that Wabash Valley Community Foundation has variance authority and will hold and invest the funds for the sole benefit of WICAA. The balance as of December 31, 2007, was \$5,399 of which \$5,000 is permanently restricted.

Additional Information

Western Indiana Community Action Agency, Inc.

Schedule A-1 Schedule of Program Activity Year Ended December 31, 2007

	FEDERAL PROGRAMS									
	Department of Agriculture					Department of HUD				
	10.557 WIC Program 9/06 (1)	10.557 WIC Program 9/07 (2)	10.557 Subtotal	Child and Adult Care Food 06/07 (3)	10.558 Child and Adult Care Food 07/08 (4)	10.558 Subtotal	14.239 Owner-Occupied Rehabilitation Program (5)	14.871 Housing Assistance Program (6)		
REVENUE AND SUPPORT										
Grant revenue	\$ 5,713,114	\$ 97,501	\$ 393,423	\$ 65,066	\$ 36,183	\$ 101,249	\$ 12,954	\$ 14,253		
Other income	575,547	0	0	0	0	0	0	0		
Investment income	5,916	0	0	0	0	0	0	0		
In-kind revenue	25,857	0	0	0	0	0	0	0		
Transfers	0	0	0	0	0	0	0	(2,963)		
Total Revenue	6,320,434	97,501	393,423	65,066	36,183	101,249	12,954	11,290		
EXPENSES										
Salaries and employee benefits	2,471,254	87,984	341,973	0	0	0	(1,481)	0		
Travel	28,638	390	3,838	0	0	0	0	168		
Occupancy	219,706	6,375	25,989	0	0	0	0	0		
Office equipment and supplies	174,983	999	6,557	0	0	0	0	0		
Program supplies	54,848	248	3,279	0	0	0	0	28		
Food	121,615	12	12	65,066	36,183	101,249	0	0		
Minor equipment and equipment rental	79,413	352	3,028	0	0	0	0	0		
Depreciation expense	75,244	0	0	0	0	0	0	0		
Volunteer/stipends	124,370	0	0	0	0	0	0	0		
Other expenses	277,469	1,153	8,747	0	0	0	77	0		
In-kind expense	25,857	0	0	0	0	0	0	0		
Client assistance	2,370,700	0	0	0	0	0	14,358	11,094		
Total Expenses	6,024,097	97,501	393,423	65,066	36,183	101,249	12,954	11,290		
Change in Net Assets	296,337	0	0	0	0	0	0	0		
Net assets - December 31, 2006	520,815	0	0	0	0	0	0	0		
NET ASSETS - DECEMBER 31, 2007	\$ 817,152	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Western Indiana Community Action Agency, Inc.

Schedule A-2
 Schedule of Program Activity
 Year Ended December 31, 2007

	FEDERAL PROGRAMS									
	Department of HUD		Department of Energy			Department of Health and Human Services			Department of Health and Human Services	
	14.871	81.042	81.042	81.042	93.558	93.558	93.558	93.558	93.568	
	Housing									
Assistance Program	14.871	Weatherization 06/07	Weatherization 07/08	Weatherization 81.042	SWEEP WL-007-024	SWEEP WL-007-024	SWEEP WL-007-024	SWEEP WL-007-024	93.558	EAP
(7)	Subtotal	(8)	(9)	Subtotal	(10)	(11)	(12)	Subtotal		(12)
\$	6,239	\$ 20,492	\$ 102,347	\$ 76,648	\$ 178,995	\$ 26,776	\$ 15,458	\$ 42,234	\$ 1,130,595	\$ 0
Grant revenue	0	0	0	1,685	1,685	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0	0	0	0
In-kind revenue	0	0	0	0	0	0	0	0	0	0
Transfers	96	(2,867)	0	0	0	0	0	0	0	0
Total Revenue	6,335	17,625	102,347	78,333	180,680	26,776	15,458	42,234	1,130,595	0
	EXPENSES									
Salaries and employee benefits	0	0	65,171	42,598	107,769	9,611	10,182	19,793	121,671	0
Local travel	54	222	(212)	129	(83)	39	0	39	663	0
Occupancy	0	0	4,450	3,533	7,983	3,174	0	3,174	12,911	0
Office equipment and supplies	0	0	21,325	15,298	36,623	9,425	4,391	13,816	21,723	0
Program supplies	48	76	412	724	1,136	69	0	69	2,443	0
Food	0	0	0	0	0	0	0	0	10	0
Minor equipment and equipment rental	0	0	2,808	3,288	6,096	1,061	274	1,335	15,927	0
Depreciation expense	0	0	0	0	0	0	0	0	0	0
Volunteer/stipends	0	0	0	0	0	0	0	0	0	0
Other expenses	75	75	8,393	12,763	21,156	2,536	611	3,147	4,815	0
In-kind expense	0	0	0	0	0	0	0	0	0	0
Client assistance	6,158	17,252	0	0	0	861	0	861	950,432	0
Total Expenses	6,335	17,625	102,347	78,333	180,680	26,776	15,458	42,234	1,130,595	0
Change in Net Assets	0	0	0	0	0	0	0	0	0	0
Net assets - December 31, 2006	0	0	0	0	0	0	0	0	0	0
NET ASSETS - DECEMBER 31, 2007	0	0	0	0	0	0	0	0	0	0

See Independent Auditor's Report.

Western Indiana Community Action Agency, Inc.

Schedule A-3
 Schedule of Program Activity
 Year Ended December 31, 2007

	FEDERAL PROGRAMS									
	Department of Health and Human Services					CNCs				
	93.568	93.568	93.569	93.600	94.002	93.568	93.568	93.568	93.600	94.002
EAP (13)	LIHEAP (14)	LIHEAP (15)	LIHEAP (16)	CSBG (17)	Head Start 05CH4104/41 06/07	Head Start 05CH4104/42 07/08	Subtotal	Subtotal	Subtotal	RSVP 03SRNIN077 (19)
REVENUE AND SUPPORT										
Grant revenue	\$ 1,424,012	\$ 227,197	\$ 27,139	\$ 414,309	\$ 1,199,370	\$ 253,341	\$ 1,452,711	\$ 33,653		
Other income	0	0	0	0	200	0	200	0		
Investment income	0	0	0	0	0	0	0	0		
In-kind revenue	0	0	0	0	370,159	46,480	416,639	2,351		
Transfers	0	0	0	0	0	0	0	0		
Total Revenue	1,424,012	227,197	27,139	414,309	1,569,729	299,821	1,869,550	36,004		
EXPENSES										
Salaries and employee benefits	49,920	145,018	19,967	258,704	833,724	205,639	1,039,363	22,789		
Local travel	58	385	109	481	2,898	286	3,184	2,199		
Occupancy	3,707	2,838	230	13,858	214,188	22,444	236,632	2,750		
Office equipment and supplies	6,521	32,156	1,049	3,368	15,259	2,472	17,731	747		
Program supplies	7,744	208	39	1,417	25,532	5,036	30,568	985		
Food	0	12	0	57	3,258	1,856	5,114	94		
Minor equipment and equipment rental	2,059	21,090	26	120,911	43,974	6,066	50,040	575		
Depreciation expense	0	0	0	0	0	0	0	0		
Volunteer/stipends	0	0	0	0	0	0	0	0		
Other expenses	793	13,296	3,155	15,436	60,737	9,542	70,279	707		
In-kind expense	0	0	0	0	370,159	46,480	416,639	2,351		
Client assistance	1,353,210	12,194	2,564	77	0	0	0	2,807		
Total Expenses	1,424,012	227,197	27,139	414,309	1,569,729	299,821	1,869,550	36,004		
Change in Net Assets	0	0	0	0	0	0	0	0		
Net assets - December 31, 2006	0	0	0	0	0	0	0	0		
NET ASSETS - DECEMBER 31, 2007	0	0	0	0	0	0	0	0		

See Independent Auditor's Report.

Western Indiana Community Action Agency, Inc.

Schedule A-4
 Schedule of Program Activity
 Year Ended December 31, 2007

	FEDERAL PROGRAMS		STATE AND LOCAL PROG.		DISCRETIONARY ACTIVITY				OTHER
	CNCS 94.011	Total Federal Programs	Share the Warmth (21)	TOTAL PROGRAMS	GAAP Adjustments (22)	SACC (23)	Corporate (24)	TOTAL DISCRETIONARY ACTIVITY	
REVENUE AND SUPPORT									
Grant revenue	\$ 252,438	\$ 5,711,401	\$ 0	\$ 5,711,401	\$ 0	\$ 0	\$ 1,713	\$ 1,713	\$ 0
Other income	0	1,885	0	1,885	0	349,853	223,809	573,662	0
Investment income	0	0	0	0	0	0	5,517	5,517	399
In-kind revenue	16,277	435,268	0	435,268	(413,811)	4,400	0	(409,411)	0
Transfers	0	(2,867)	0	(2,867)	0	0	2,867	2,867	0
Total Revenue	268,715	6,145,687	0	6,145,687	(413,811)	354,253	233,906	174,348	399
EXPENSES									
Salaries and employee benefits	87,764	2,213,250	0	2,213,250	0	188,125	69,879	258,004	0
Local travel	8,083	19,178	0	19,178	0	9,299	161	9,460	0
Occupancy	5,294	315,366	0	315,366	(128,128)	15,356	17,112	(95,660)	0
Office equipment and supplies	718	141,009	0	141,009	0	6,055	27,919	33,974	0
Program supplies	697	48,661	0	48,661	0	5,490	697	6,187	0
Food	5,629	112,177	0	112,177	0	9,348	90	9,438	0
Minor equipment and equipment rental	11,265	232,352	0	232,352	(159,928)	5,419	1,570	(152,939)	0
Depreciation expense	0	0	0	0	0	0	75,244	75,244	0
Volunteer/stipends	124,370	124,370	0	124,370	0	0	0	0	0
Other expenses	7,018	148,701	0	148,701	0	82,257	46,511	128,768	0
In-kind expense	16,277	435,268	0	435,268	(413,811)	4,400	0	(409,411)	0
Client assistance	1,600	2,355,355	4,597	2,359,952	0	0	10,748	10,748	0
Total Expenses	268,715	6,145,687	4,597	6,150,284	(701,867)	325,749	249,931	(126,187)	0
Change in Net Assets	0	0	(4,597)	(4,597)	288,056	28,504	(16,025)	300,535	399
Net assets - December 31, 2006	0	0	4,597	4,597	263,057	(5,295)	253,456	511,218	5,000
NET ASSETS - DECEMBER 31, 2007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 551,113	\$ 23,209	\$ 237,431	\$ 811,753	\$ 5,399

See Independent Auditor's Report.

Western Indiana Community Action Agency, Inc.

Schedule B-1

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended December 31, 2007

<u>Federal Grantor/ Program Title/Program Number</u>	<u>CFDA Number</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Year</u>	<u>Federal Expenditures</u>
DEPARTMENT OF AGRICULTURE				
(1) Women, Infants, and Children Program - #WIC 631-1	10.557	Indiana State Department of Health	10/01/06-09/30/07	\$ 295,922
(2) Women, Infants, and Children Program - #A70-7-070021		Indiana State Department of Health	10/01/07-09/30/08	<u>97,501</u>
Total Federal Expenditures CFDA #10.557				<u>393,423</u>
(3) Child and Adult Care Food Program	10.558	Indiana Department of Education	10/01/06-09/30/07	65,066
(4) Child and Adult Care Food Program		Indiana Department of Education	10/01/07-09/30/08	<u>36,183</u>
Total Federal Expenditures CFDA #10.558				<u>101,249</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(5) Owner-Occupied Rehabilitation Program - #1H-006-024	14.239	Indiana Housing and Community Development Authority	04/01/06-09/30/07	<u>12,954</u>
(6) Housing Assistance Program #0R-006-024	14.871	Indiana Housing and Community Development Authority	07/01/06-06/30/07	14,253
(7) Housing Assistance Program #0R-006-024		Indiana Housing and Community Development Authority	07/01/07-06/30/08	<u>6,239</u>
Total Federal Expenditures CFDA #14.871				<u>20,492</u>
DEPARTMENT OF ENERGY				
(8) Weatherization #WX-006-024	81.042	Indiana Housing and Community Development Authority	04/01/06-03/31/07	102,347
(9) Weatherization #WX-006-024		Indiana Housing and Community Development Authority	04/01/07-03/31/08	<u>76,648</u>
Total Federal Expenditures CFDA #81.042				<u>178,995</u>

Western Indiana Community Action Agency, Inc.

Schedule B-2

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended December 31, 2007

Federal Grantor/ Program Title/Program Number	CFDA Number	Funding Source/ Pass-Through Entity	Program Year	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(10) State Weatherization Efficiency Enhancement Program #WL-007-024	93.558	Indiana Housing and Community Development Authority	10/01/06-09/30/07	26,776
(11) State Weatherization Efficiency Enhancement Program #WL-007-024		Indiana Housing and Community Development Authority	10/01/07-09/30/08	15,458
Total Federal Expenditures CFDA #93.558				42,234
(12) Energy Assistance Program #L1-007-024	93.568	Indiana Housing and Community Development Authority	10/01/06-09/30/07	1,130,595
(13) Energy Assistance Program #L1-007-024		Indiana Housing and Community Development Authority	10/01/06-09/30/08	1,424,012
(14) Low-Income Home Energy Assistance Program - #WL-007-024		Indiana Housing and Community Development Authority	10/01/06-09/30/07	227,197
(15) Low-Income Home Energy Assistance Program - #WL-007-024		Indiana Housing and Community Development Authority	10/01/07-09/30/08	27,139
Total Federal Expenditures CFDA #93.568				2,808,943
(16) Community Services Block Grant #CS-006-024	93.569	Indiana Housing and Community Development Authority	01/01/07-12/31/07	414,309
(17) Head Start #05CH4104/41	93.600	Department of Health and Human Services	11/01/06-10/31/07	1,199,370
(18) Head Start #05CH4104/42		Department of Health and Human Services	11/01/07-10/31/08	253,341
Total Federal Expenditures CFDA #93.600				1,452,711

Western Indiana Community Action Agency, Inc.

Schedule B-3

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended December 31, 2007

<u>Federal Grantor/ Program Title/Program Number</u>	<u>CFDA Number</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Year</u>	<u>Federal Expenditures</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICES				
(19) Retired and Senior Volunteer Program - #03SRNIN077	94.002	Corporation for National and Community Services	01/01/07-12/31/07	<u>33,653</u>
(20) Foster Grandparents #04SFNIN001	94.011	Corporation for National and Community Services	01/01/07-12/31/07	<u>252,438</u>
TOTAL FEDERAL EXPENDITURES				<u><u>\$ 5,711,401</u></u>
STATE AND LOCAL PROGRAMS				
(21) Share the Warmth		Donations	01/01/07-12/31/07	
DISCRETIONARY ACTIVITY				
(22) GAAP Adjustments		N/A	01/01/07-12/31/07	
(23) School Aged Child Care		Child Care Fees	01/01/07-12/31/07	
(24) Corporate		Donations, Interest Energy Provider Reimbursements	01/01/07-12/31/07	
OTHER				
(25) Wabash Valley Community Foundation		N/A	01/01/07-12/31/07	

Note to Schedule of Expenditures of Federal Awards and List of Programs

This schedule includes the federal grant activity of Western Indiana 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.



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

Board of Directors
Western Indiana Community Action Agency, Inc.
Terre Haute, Indiana

We have audited the financial statements of Western Indiana Community Action Agency, Inc. (a nonprofit organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated September 22, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Western Indiana Community Action Agency, Inc.'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 Western Indiana Community Action Agency, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Western Indiana Community Action Agency, Inc.'s internal control over financial reporting.

A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Western Indiana Community Action Agency, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States such that there is more than a remote likelihood that a misstatement of Western Indiana Community Action Agency, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by Western Indiana Community Action Agency, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Western Indiana Community Action Agency, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Western Indiana Community Action Agency, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within Western Indiana Community Action Agency, Inc., 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.



Wipfli LLP

September 22, 2008
Madison, Wisconsin



Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Directors
Western Indiana Community Action Agency, Inc.
Terre Haute, Indiana

Compliance

We have audited the compliance of Western Indiana Community Action Agency, Inc. (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. Western Indiana Community Action Agency Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Western Indiana Community Action Agency Inc.'s management. Our responsibility is to express an opinion on Western Indiana Community Action Agency Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 Western Indiana Community Action Agency Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Western Indiana Community Action Agency Inc.'s compliance with those requirements.

In our opinion, Western Indiana Community Action Agency Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of Western Indiana Community Action Agency Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Western Indiana Community Action Agency Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal and major state programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Western Indiana Community Action Agency Inc.'s internal control over compliance in accordance with OMB Circular A-133.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 and use of management, the Board of Directors, others within Western Indiana Community Action Agency, Inc., 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.



Wipfli LLP

September 22, 2008
Madison, Wisconsin

Western Indiana Community Action Agency, Inc.

Schedule of Findings and Questioned Costs

A. Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the financial statements of Western Indiana Community Action Agency, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Western Indiana Community Action Agency, Inc. were disclosed during the audit.
4. No significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and 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 Western Indiana Community Action Agency, Inc. expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Western Indiana Community Action Agency, Inc.
7. The programs tested as major programs were the Department of Health and Human Services, CFDA #93.569 and #93.600.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Western Indiana Community Action Agency, Inc. was determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs Audit

Questioned Costs: None

Findings: None