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302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

January 21, 2010

Board of Directors  
Western Indiana Community  
Action Agency, Inc.  
705 S. 5<sup>th</sup> St.  
P.O. Box 9585  
Terre Haute, IN 47808

We have reviewed the audit report prepared by Wipfli, LLP, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. 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, 2008, 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, 2008

# Western Indiana Community Action Agency, Inc.

Financial Statements and Additional Information  
Year Ended December 31, 2008

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## 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, 2008, 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 in the first paragraph present fairly, in all material respects, the financial position of Western Indiana Community Action Agency, Inc. as of December 31, 2008, and the results of its operations 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 August 14, 2009, 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 includes 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

August 14, 2009  
Madison, Wisconsin

# Western Indiana Community Action Agency, Inc.

## Statement of Financial Position

December 31, 2008

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<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 731,001
Grants receivable	613,306
Accounts receivable	22,841
Prepaid expenses and other assets	36,139
Inventory	44,571
<hr/>	
Total current assets	1,447,858
<hr/>	
Property and equipment, net	810,223
<hr/>	
<b>TOTAL ASSETS</b>	<b>\$ 2,258,081</b>

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<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current maturities of note payable	\$ 23,498
Accounts payable	681,862
Accrued payroll and related liabilities	227,015
Grant funds received in advance	33,043
<hr/>	
Total current liabilities	965,418
<hr/>	
Long-term liabilities:	
Note payable	460,711
<hr/>	
Total liabilities	1,426,129
<hr/>	
Net assets:	
Unrestricted	826,952
Permanently restricted	5,000
<hr/>	
Total net assets	831,952
<hr/>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,258,081</b>

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See accompanying notes to financial statements.

# Western Indiana Community Action Agency, Inc.

## Statement of Activities

Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and support:</b>				
Grant revenue	\$ 5,668,900	\$ 0	\$ 0	\$ 5,668,900
Other income	584,224	0	0	584,224
Investment income	7,278	0	0	7,278
In-kind revenue	24,535	0	0	24,535
Net assets released from restrictions	399	( 399)	0	0
<b>Total revenue and support</b>	<b>6,285,336</b>	<b>( 399)</b>	<b>0</b>	<b>6,284,937</b>
<b>Expenses:</b>				
<b>Program activities:</b>				
Energy assistance	2,842,993	0	0	2,842,993
Child education	1,551,702	0	0	1,551,702
Food programs	504,174	0	0	504,174
Senior programs	263,261	0	0	263,261
Weatherization	242,299	0	0	242,299
Discretionary	222,707	0	0	222,707
Community services	236,880	0	0	236,880
<b>Total program expenses</b>	<b>5,864,016</b>	<b>0</b>	<b>0</b>	<b>5,864,016</b>
<b>Supportive services:</b>				
Management and general	406,121	0	0	406,121
<b>Total expenses</b>	<b>6,270,137</b>	<b>0</b>	<b>0</b>	<b>6,270,137</b>
Change in net assets	15,199	( 399)	0	14,800
Net assets - Beginning of year	811,753	399	5,000	817,152
<b>Net assets - End of year</b>	<b>\$ 826,952</b>	<b>\$ 0</b>	<b>\$ 5,000</b>	<b>\$ 831,952</b>

# Western Indiana Community Action Agency, Inc.

## Statement of Cash Flows

Year Ended December 31, 2008

Increase (decrease) in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets \$ 14,800

Adjustments to reconcile change in net assets  
to net cash provided by operating activities:

Depreciation 72,569

Bad debt expense 31,965

Changes in operating assets and liabilities:

Grants receivable 11,349

Accounts receivable ( 4,384)

Prepaid expenses and other assets 54,344

Inventory 603

Accounts payable 209,943

Accrued payroll and related liabilities 32,345

Grant funds received in advance 4,697

Net cash provided by operating activities 428,231

Cash flows from financing activities:

Payments on notes payable ( 22,179)

Net cash used in financing activities ( 22,179)

Change in cash and cash equivalents 406,052

Cash and cash equivalents - Beginning of year 324,949

Cash and cash equivalents - End of year \$ 731,001

**Schedule of other cash activity:**

Interest paid and expensed \$ 27,362

# Western Indiana Community Action Agency, Inc.

## Notes to Financial Statements

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### **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 23% and 53% 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. Currently, WICAA does not have any temporarily restricted net assets.

**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.

#### **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

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### 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 a 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 there from, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$295,397 at December 31, 2008.

#### **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.

#### **In-Kind Contributions**

WICAA records in-kind contributions for space, supplies, and professional services in the statement of activities in accordance with 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 \$331,073 primarily for its Head Start, Retire Senior Volunteer and Foster Grandparent programs.

# Western Indiana Community Action Agency, Inc.

## Notes to Financial Statements

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### **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

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### **Note 2                    Concentration of Credit Risk**

WICAA maintains cash balances at one bank. The Helping Families Save Their Homes Act of 2009, passed May 20, 2009, increased insurance limits per depositor for accounts held at FDIC-insured banks and NCUSIF-insured credit unions from \$100,000 to \$250,000. This is a temporary increase which is effective until December 31, 2013. Fluctuating cash flows throughout the year may cause the balance to exceed the FDIC insurance limit. The bank balance in excess of FDIC coverage is collaterally secured by the bank through a pledged security up to \$3,000,000.

### **Note 3                    Grants Receivable**

WICAA's grants receivable consist of \$613,306 from federal programs.

### **Note 4                    Property and Equipment**

Property and equipment is as follows:

Land	\$ 34,836
Buildings and building improvements	717,965
<u>Equipment</u>	<u>648,566</u>
Subtotal	1,401,367
<u>Less - Accumulated depreciation</u>	<u>591,144</u>
<u>Property and equipment, net</u>	<u>\$ 810,223</u>

### **Note 5                    Notes Payable**

Mortgage payable to First Financial Bank is in the amount of \$484,209 at 5.5% annual interest with monthly payments of \$4,128. The mortgage is due August 13, 2024. The mortgage is collateralized by the property acquired using the debt proceeds.

Future maturities are as follows:

2009	\$ 23,498
2010	24,823
2011	26,223
2012	27,703
2013	29,265
<u>Thereafter</u>	<u>352,697</u>
<u>Total</u>	<u>\$ 484,209</u>

# Western Indiana Community Action Agency, Inc.

## Notes to Financial Statements

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### **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 employee's earnings. Contributions for the year ended December 31, 2008, were \$37,588.

### **Note 7 Leases**

WICAA is committed under several operating leases related to its centers. Rent expense for these operating leases amounted to \$19,124 for the year ended December 31, 2008. Future rental commitments under operating leases with terms of greater than one year are as follows:

2009	\$	22,791
2010		21,684
2011		11,732
2012		11,075
2013		7,668
<hr/>		
Total	\$	74,950

### **Note 8 Grant Awards**

At December 31, 2008, WICAA had commitments under various grants of approximately \$3,346,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

## **Additional Information**

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# Western Indiana Community Action Agency, Inc.

## Schedule A-1 Schedule of Program Activity Year Ended December 31, 2008

	FEDERAL PROGRAMS							HUD
	Department of Agriculture							
	10.557		10.558		10.558		10.558	
	WIC Program A70-8-070112 (1)	WIC Program A70-9-070175 (2)	Child Care Food 07/08 (3)	Child Care Food 08/09 (4)	Child Care Food 08/09 (4)	10.558 Subtotal (5)	Housing Assistance Program (5)	
<b>REVENUE AND SUPPORT</b>								
Grant revenue	\$ 5,668,900	\$ 114,879	\$ 427,444	\$ 72,664	\$ 38,335	\$ 110,999	\$ 4,435	
Other income	584,224	648	648	0	0	0	0	
Investment income	7,278	0	0	0	0	0	0	
In-kind revenue	24,535	0	0	0	0	0	0	
<b>Total Revenue</b>	<b>6,284,937</b>	<b>115,527</b>	<b>428,092</b>	<b>72,664</b>	<b>38,335</b>	<b>110,999</b>	<b>4,435</b>	
<b>EXPENSES</b>								
Salaries and employee benefits	2,540,386	101,385	370,139	0	0	0	0	
Travel	31,878	989	2,055	0	0	0	112	
Occupancy	217,119	18,347	24,779	0	0	0	77	
Office equipment and supplies	152,623	3,990	5,991	0	0	0	0	
Program supplies	37,833	915	1,182	0	0	0	33	
Food	135,029	0	0	72,664	38,335	110,999	0	
Minor equipment and equipment rental	84,731	632	12,870	0	0	0	0	
Depreciation expense	72,569	0	0	0	0	0	0	
Volunteer/stipends	106,105	0	0	0	0	0	0	
Other expenses	285,583	7,255	11,076	0	0	0	0	
In-kind expense	24,535	0	0	0	0	0	0	
Client assistance	2,581,746	0	0	0	0	0	4,213	
<b>Total Expenses</b>	<b>6,270,137</b>	<b>115,527</b>	<b>428,092</b>	<b>72,664</b>	<b>38,335</b>	<b>110,999</b>	<b>4,435</b>	
<b>Change in Net Assets</b>	<b>14,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Net assets - Beginning of year	817,152	0	0	0	0	0	0	
<b>NET ASSETS - End of year</b>	<b>\$ 831,952</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	

See Independent Auditor's Report.

# Western Indiana Community Action Agency, Inc.

Schedule A-2  
 Schedule of Program Activity  
 Year Ended December 31, 2008

	FEDERAL PROGRAMS									
	Department of HUD		Department of Energy				Department of Health and Human Services			
	14.871		81.042		93.558		93.558		93.568	
	14.871	Weatherization	Weatherization	Weatherization	81.042	SWEET	SWEET	SWEET	93.558	EAP
	Subtotal	WX-007-024	WX-007-024-02	WX-007-024-02	Subtotal	WL-007-024	WL-008-024	WL-008-024	Subtotal	LI-008-024
		(7)	(8)	(9)	(10)	(11)	(11)	(11)		
<b>REVENUE AND SUPPORT</b>										
Grant revenue	\$ 4,335	\$ 142,368	\$ 107,342	\$ 249,710	\$ 22,771	\$ 15,522	\$ 38,293	\$ 830,254		
Other income	0	0	600	600	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
<b>Total Revenue</b>	<b>4,335</b>	<b>142,368</b>	<b>107,942</b>	<b>250,310</b>	<b>22,771</b>	<b>15,522</b>	<b>38,293</b>	<b>830,254</b>		
<b>EXPENSES</b>										
Salaries and employee benefits	0	111,633	76,599	188,232	10,835	12,222	23,057	127,767		
Local travel	135	173	231	404	0	0	0	2,178		
Occupancy	0	4,271	3,824	8,095	974	0	974	12,534		
Office equipment and supplies	0	12,389	12,888	25,277	9,548	2,367	11,915	27,991		
Program supplies	9	443	661	1,104	69	0	69	2,858		
Food	0	0	0	0	0	0	0	0		
Minor equipment and equipment rental	0	4,740	3,050	7,790	56	0	56	8,869		
Depreciation expense	0	0	0	0	0	0	0	0		
Volunteer/stipends	0	0	0	0	0	0	0	0		
Other expenses	0	8,719	10,689	19,408	1,289	933	2,222	5,680		
In-kind expense	0	0	0	0	0	0	0	0		
Client assistance	4,191	0	0	0	0	0	0	642,377		
<b>Total Expenses</b>	<b>4,335</b>	<b>142,368</b>	<b>107,942</b>	<b>250,310</b>	<b>22,771</b>	<b>15,522</b>	<b>38,293</b>	<b>830,254</b>		
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		
Net assets - Beginning of year	0	0	0	0	0	0	0	0		
<b>NET ASSETS - End of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

See Independent Auditor's Report.

# Western Indiana Community Action Agency, Inc.

## Schedule A-3 Schedule of Program Activity Year Ended December 31, 2008

	FEDERAL PROGRAMS										CNCs
	Department of Health and Human Services										
	93.568					93.600					
	EAP (12)	LIHEAP WL-007-024 (13)	LIHEAP WL-008-024 (14)	93.568 Subtotal	CSBG CS-008-024 (15)	Head Start 05CH4104/42 (16)	Head Start 05CH4104/43 (17)	93.600 Subtotal	RSVP 06SRN001 (18)		
<b>REVENUE AND SUPPORT</b>											
Grant revenue	\$ 1,980,164	\$ 185,388	\$ 5,790	\$ 3,001,596	\$ 253,286	\$ 1,054,366	\$ 258,689	\$ 1,313,055	\$	\$ 33,065	
Other income	0	0	0	0	0	1,076	0	1,076	0	0	
Investment income	0	0	0	0	0	0	0	0	0	0	
In-kind revenue	0	0	0	0	0	295,760	44,751	340,511	2,757	2,757	
<b>Total Revenue</b>	<b>1,980,164</b>	<b>185,388</b>	<b>5,790</b>	<b>3,001,596</b>	<b>253,286</b>	<b>1,351,202</b>	<b>303,440</b>	<b>1,654,642</b>		<b>35,822</b>	
<b>EXPENSES</b>											
Salaries and employee benefits	55,132	113,663	1,481	298,043	220,742	830,248	219,680	1,049,928	20,774		
Local travel	256	0	55	2,489	780	3,720	496	4,216	3,380		
Occupancy	3,951	5,181	13	21,679	7,251	96,227	19,861	116,088	2,634		
Office equipment and supplies	2,030	35,650	0	65,671	3,105	8,920	4,877	13,797	562		
Program supplies	1,183	4,224	39	8,304	1,558	14,920	1,563	16,483	735		
Food	0	0	0	0	0	9,997	617	10,614	78		
Minor equipment and equipment rental	1,900	9,498	259	20,526	1,165	35,369	5,599	40,968	1,662		
Depreciation expense	0	0	0	0	0	0	0	0	0		
Volunteer/stipends	0	0	0	0	0	0	0	0	0		
Other expenses	2,522	10,255	2,463	20,920	18,394	56,041	5,996	62,037	1,389		
In-kind expense	0	0	0	0	0	295,760	44,751	340,511	2,757		
Client assistance	1,913,190	6,917	1,480	2,563,964	291	0	0	0	1,651		
<b>Total Expenses</b>	<b>1,980,164</b>	<b>185,388</b>	<b>5,790</b>	<b>3,001,596</b>	<b>253,286</b>	<b>1,351,202</b>	<b>303,440</b>	<b>1,654,642</b>		<b>35,822</b>	
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Net assets - Beginning of year	0	0	0	0	0	0	0	0	0	0	
<b>NET ASSETS - End of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

See Independent Auditor's Report.

# Western Indiana Community Action Agency, Inc.

## Schedule A-4

### Schedule of Program Activity

Year Ended December 31, 2008

	FEDERAL PROGRAMS		DISCRETIONARY ACTIVITY				OTHER
	CNCS 94.011	Total Federal Programs	GAAP Adjustments (21)	SACC (22)	Corporate (23)	TOTAL DISCRETIONARY ACTIVITY	
<b>REVENUE AND SUPPORT</b>							
Grant revenue	\$ 232,682	\$ 5,668,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other income	650	2,974	0	346,794	234,456	581,250	0
Investment income	0	0	0	0	7,677	7,677	( 399)
In-kind revenue	12,340	355,608	( 331,073)	0	0	( 331,073)	0
<b>Total Revenue</b>	<b>245,672</b>	<b>6,027,482</b>	<b>( 331,073)</b>	<b>346,794</b>	<b>242,133</b>	<b>257,854</b>	<b>( 399)</b>
<b>EXPENSES</b>							
Salaries and employee benefits	86,349	2,257,264	0	212,365	70,757	283,122	0
Local travel	9,607	23,378	0	4,738	3,762	8,500	0
Occupancy	4,795	186,372	0	13,260	17,487	30,747	0
Office equipment and supplies	536	126,854	0	4,819	20,950	25,769	0
Program supplies	713	30,190	0	7,436	207	7,643	0
Food	5,131	126,822	0	7,085	1,122	8,207	0
Minor equipment and equipment rental	13,010	98,047	( 17,379)	3,998	65	( 13,316)	0
Depreciation expense	0	0	0	0	72,569	72,569	0
Volunteer/stipends	106,105	106,105	0	0	0	0	0
Other expenses	5,488	140,934	0	99,275	45,374	144,649	0
In-kind expense	12,340	355,608	( 331,073)	0	0	( 331,073)	0
Client assistance	1,598	2,575,908	0	0	5,838	5,838	0
<b>Total Expenses</b>	<b>245,672</b>	<b>6,027,482</b>	<b>( 348,452)</b>	<b>352,976</b>	<b>238,131</b>	<b>242,655</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>17,379</b>	<b>( 6,182)</b>	<b>4,002</b>	<b>15,199</b>	<b>( 399)</b>
Net assets - Beginning of year	0	0	551,113	23,209	237,431	811,753	5,399
<b>NET ASSETS - End of year</b>	<b>0</b>	<b>0</b>	<b>\$ 568,492</b>	<b>\$ 17,027</b>	<b>\$ 241,433</b>	<b>\$ 826,952</b>	<b>\$ 5,000</b>

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, 2008

<u>Federal Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Funding Source/ Pass-Through Entity</u>	<u>Program Year</u>	<u>Federal Expenditures</u>
<b>DEPARTMENT OF AGRICULTURE</b>				
( 1) Women, Infants, and Children Program - #WIC A70-8-070112	10.557	Indiana State Department of Health	10/01/07-09/30/08	312,565
( 2) Women, Infants, and Children Program - #A70-9-070175		Indiana State Department of Health	10/01/08-09/30/09	<u>114,879</u>
<b>Total Federal Expenditures CFDA #10.557</b>				<b><u>427,444</u></b>
( 3) Child and Adult Care Food Program - 07/08	10.558	Indiana Department of Education	10/01/07-09/30/08	72,664
( 4) Child and Adult Care Food Program - 08/09		Indiana Department of Education	10/01/08-09/30/09	<u>38,335</u>
<b>Total Federal Expenditures CFDA #10.558</b>				<b><u>110,999</u></b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
( 5) Housing Assistance Program	14.871	Indiana Housing and Community Development Authority	07/01/07-06/30/08	4,435
( 6) Housing Assistance Program		Indiana Housing and Community Development Authority	07/01/08-06/30/09	<u>4,335</u>
<b>Total Federal Expenditures CFDA #14.871</b>				<b><u>8,770</u></b>
<b>DEPARTMENT OF ENERGY</b>				
( 7) Weatherization #WX-007-024	81.042	Indiana Housing and Community Development Authority	04/01/07-03/31/08	142,368
( 8) Weatherization #WX-007-024-02		Indiana Housing and Community Development Authority	04/01/08-03/31/09	<u>107,342</u>
<b>Total Federal Expenditures CFDA #81.042</b>				<b><u>249,710</u></b>

# Western Indiana Community Action Agency, Inc.

Schedule B-2

Schedule of Expenditures of Federal Awards and List of Programs

Year Ended December 31, 2008

Federal Grantor/ Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Program Year	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
( 9) State Weatherization Efficiency Enhancement Program - #WL-007-024	93.558	Indiana Housing and Community Development Authority	10/01/07-09/30/08	22,771
(10) State Weatherization Efficiency Enhancement Program #WL-008-024		Indiana Housing and Community Development Authority	10/01/08-09/30/09	<u>15,522</u>
<b>Total Federal Expenditures CFDA #93.558</b>				<b><u>38,293</u></b>
(11) Energy Assistance Program #LI-008-024	93.568	Indiana Housing and Community Development Authority	10/01/07-09/30/08	830,254
(12) Energy Assistance Program #L1-009-024		Indiana Housing and Community Development Authority	10/01/08-09/30/09	1,980,164
(13) Low-Income Home Energy Assistance Program - #WL-007-024		Indiana Housing and Community Development Authority	10/01/07-09/30/08	185,388
(14) Low-Income Home Energy Assistance Program - #WL-008-024		Indiana Housing and Community Development Authority	10/01/08-09/30/09	<u>5,790</u>
<b>Total Federal Expenditures CFDA #93.568</b>				<b><u>3,001,596</u></b>
(15) Community Services Block Grant #CS-008-024	93.569	Indiana Housing and Community Development Authority	01/01/08-12/31/08	<u>253,286</u>
(16) Head Start #05CH4104/42	93.600	Department of Health and Human Services	11/01/07-10/31/08	1,054,366
(17) Head Start #05CH4104/43		Department of Health and Human Services	11/01/08-10/31/09	<u>258,689</u>
<b>Total Federal Expenditures CFDA #93.600</b>				<b><u>1,313,055</u></b>

# Western Indiana Community Action Agency, Inc.

## Schedule B-3

### Schedule of Expenditures of Federal Awards and List of Programs

Year Ended December 31, 2008

Federal Grantor/ Program Title	CFDA Number	Funding Source/ Pass-Through Entity	Program Year	Federal Expenditures
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</b>				
(18) Retired and Senior Volunteer Program - #06SRNIN001	94.002	Corporation for National and Community Services	01/01/08-12/31/08	<u>33,065</u>
(19) Foster Grant Parents #07SFNIN002	94.011	Corporation for National and Community Services	01/01/08-12/31/08	<u>232,682</u>
<b>TOTAL FEDERAL EXPENDITURES</b>				<u><u>\$ 5,668,900</u></u>
<b>DISCRETIONARY ACTIVITY</b>				
(21) GAAP Adjustments		N/A	01/01/08-12/31/08	
(22) School Aged Child Care		Indiana Family and Social Services Administration, Child Care Fees	01/01/08-12/31/08	
(23) Corporate		Donations, Interest Energy Provider Reimbursements	01/01/08-12/31/08	
<b>OTHER</b>				
(24) Wabash Valley Community Foundation		N/A	01/01/08-12/31/08	

#### 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, 2008, and have issued our report thereon dated August 14, 2009. 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 generally accepted accounting principles 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 presented 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, 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

August 14, 2009  
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 its major federal program for the year ended December 31, 2008. Western Indiana Community Action Agency Inc.'s major federal program is 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 its major federal program 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 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, OMB Circular A-133, and 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.'s complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

### **Internal Control Over Compliance**

The management of Western Indiana Community Action Agency Inc.'s 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 program 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, Board of Directors, others within Western Indiana Community Action Agency, Inc., and 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.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

August 14, 2009  
Madison, Wisconsin

# Western Indiana Community Action Agency, Inc.

## Schedule of Findings and Questioned Costs

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### 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 a major program were the Department of Health and Human Services, CFDA #93.568.
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