

SIOUXLAND HUMAN INVESTMENT  
PARTNERSHIP, INC.

FINANCIAL STATEMENTS

JUNE 30, 2019 and 2018

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Siouxland Human Investment Partnership, Inc.  
Sioux City, Iowa

### Report on the Financial Statements

We have audited the accompanying financial statements of Siouxland Human Investment Partnership, Inc. (SHIP) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siouxland Human Investment Partnership, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedules of Revenues, Expenses and Changes in Net Assets, Changes in Agency Fund, and Funds Received and Disbursed on pages 14 through 18 are also presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 13, 2020 on our consideration of Siouxland Human Investment Partnership, Inc.'s internal control over financial reporting and on 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 effectiveness of the Siouxland Human Investment Partnership, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Siouxland Human Investment Partnership, Inc.'s internal control over financial reporting and compliance.

*Hamilton Associates, P.C.*

Council Bluffs, Iowa  
March 13, 2020

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,171,198	\$ 2,749,701
Grants and Contracts Receivable - Note 3	914,543	899,352
Other Receivables	68,757	121,591
Prepaid Expenses	37,174	33,961
<b>Total Current Assets</b>	<b>\$ 4,191,672</b>	<b>\$ 3,804,605</b>
<b>Furniture, Fixtures and Equipment</b>		
Office Furniture and Equipment	\$ 20,436	\$ 20,436
Less: Accumulated Depreciation	(10,863)	(8,643)
<b>Net Furniture, Fixtures and Equipment</b>	<b>\$ 9,573</b>	<b>\$ 11,793</b>
<b>Total Assets</b>	<b>\$ 4,201,245</b>	<b>\$ 3,816,398</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 365,868	\$ 295,467
Refundable Grant Advances - Note 4	482,173	455,368
Deferred Fee Revenue - Note 5	189,997	204,385
Other Accrued Liabilities	190,899	211,567
Agency Funds - Note 8	6,730	(9,162)
<b>Total Current Liabilities</b>	<b>\$ 1,235,667</b>	<b>\$ 1,157,625</b>
<b>Net Assets - Without Donor Restrictions</b>		
Administration	\$ 430,040	\$ 375,434
Beyond the Bell	1,497,541	1,245,342
Board Designated for Cash Reserves - Note 2	1,037,997	1,037,997
<b>Total Net Assets</b>	<b>\$ 2,965,578</b>	<b>\$ 2,658,773</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,201,245</b>	<b>\$ 3,816,398</b>

**See Notes to Financial Statements**

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Contributions:		
Federal Grants	\$ 1,926,708	\$ 2,036,944
State Grants	2,111,810	2,173,579
Cash Donations	576,615	699,140
Contract and Service Fees	2,210,040	2,205,114
Deferred Revenue	(38,234)	(172,211)
Administration Fees	14,880	-
Interest Income	27,986	11,481
	<u>27,986</u>	<u>11,481</u>
<b>Total Revenues</b>	<u>\$ 6,829,805</u>	<u>\$ 6,954,047</u>
<b>Expenses</b>		
Program Services	\$ 6,147,666	\$ 6,170,707
Administration	375,334	394,118
	<u>375,334</u>	<u>394,118</u>
<b>Total Expenses</b>	<u>\$ 6,523,000</u>	<u>\$ 6,564,825</u>
<b>Increase in Net Assets Without Donor Restrictions</b>	\$ 306,805	\$ 389,222
<b>Net Assets at Beginning of Year</b>	<u>2,658,773</u>	<u>2,269,551</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 2,965,578</u></u>	<u><u>\$ 2,658,773</u></u>

See Notes to Financial Statements

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2019

	Program		Total
	Services	Administration	
<b>Expenses</b>			
Administration	\$ 82	\$ -	\$ 82
Contracted Services	362,245	11,400	373,645
Equipment	478	-	478
Facilities and Operations	48,429	-	48,429
Supplies	109,468	-	109,468
General Expenses	354,479	75,400	429,879
Awards to Subrecipients	1,773,914	-	1,773,914
Salaries and Benefits	3,225,976	277,520	3,503,496
Training and Tuition	15,757	7,462	23,219
Travel	131,773	3,492	135,265
Depreciation	2,220	-	2,220
Miscellaneous	122,845	60	122,905
<b>Total Expenses</b>	<u>\$ 6,147,666</u>	<u>\$ 375,334</u>	<u>\$ 6,523,000</u>

**See Notes to Financial Statements**

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2018

	Program		
	Services	Administration	Total
<b>Expenses</b>			
Contracted Services	\$ 436,814	\$ 15,200	\$ 452,014
Equipment	23,754	-	23,754
Facilities and Operations	16,145	-	16,145
Supplies	68,410	-	68,410
General Expenses	478,915	93,944	572,859
Awards to Subrecipients	1,587,026	-	1,587,026
Insurance	-	(420)	(420)
Salaries and Benefits	3,377,269	281,244	3,658,513
Scholarships	10,287	-	10,287
Training and Tuition	47,556	1,159	48,715
Travel	127,290	2,691	129,981
Depreciation	2,220	-	2,220
Miscellaneous	(4,979)	300	(4,679)
<b>Total Expenses</b>	<b>\$ 6,170,707</b>	<b>\$ 394,118</b>	<b>\$ 6,564,825</b>

See Notes to Financial Statements



**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Contributions	\$ 576,615	\$ 689,140
Cash Received from Contracts and Service Fees	2,210,252	2,110,803
Cash Received from Government Agencies	4,066,024	4,471,243
Miscellaneous Income	14,880	-
Interest Received	27,986	11,481
Payments to Employees and Suppliers	(6,474,260)	(6,484,331)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 421,497</b>	<b>\$ 798,336</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 421,497</b>	<b>\$ 798,336</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>2,749,701</b>	<b>1,951,365</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 3,171,198</b>	<b>\$ 2,749,701</b>
<b>Reconciliation of Changes in Net Assets to Net Cash Provided (Used) by Operating Activities</b>		
Increase in Net Assets	\$ 306,805	\$ 389,222
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	\$ 2,220	\$ 2,220
Value of Donated Equipment		(10,000)
(Increase) Decrease in Operating Assets:		
Grants and Contracts Receivable	(15,191)	64,395
Other Receivables	52,834	65,691
Prepaid Expenses	(3,213)	(5,482)
Agency Funds		-
Other Current Assets		-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	70,401	113,929
Refundable Grant Advances	26,805	199,789
Deferred Fee Revenue	(14,388)	12,209
Other Accrued Liabilities	(20,668)	(30,173)
Agency Funds	15,892	(3,464)
<b>Total Adjustments</b>	<b>\$ 114,692</b>	<b>\$ 409,114</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 421,497</b>	<b>\$ 798,336</b>

**See Notes to Financial Statements**

# SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities - Siouxland Human Investment Partnership, Inc. (SHIP) is a not-for-profit organization located in Sioux City, Iowa providing leadership in response to identified community needs. SHIP also provides influence to engage Siouxland in creating a comprehensive service delivery system to support and strengthen children, families and individuals. SHIP's Board of Directors also serves as the designated Early Childhood Iowa Local Board and Decategorization Board for Woodbury County. A description of the significant programs administered by SHIP is as follows:

Bridging and Overcoming Obstacles through Service and Training (BOOST) – Program serves youth ages 18 to 21 who have had prior involvement with the juvenile justice system, but have no adult convictions. The program helps the youth complete high school, explore and enroll in post-secondary school, prepare for careers, and help to find and maintain employment.

Beyond the Bell (BTB) - A citywide before and after school program and summer program that serves children from Pre-K to 8<sup>th</sup> grade at 23 different sites. The program includes academic tutoring, recreation, field trips, arts and crafts, service learning, family literacy events, and other enrichment activities.

21<sup>st</sup> Century Community Learning Centers Program - Legislature initiative established to expand community learning to before and after school hours that provides students with academic enrichment opportunities along with activities designed to complement the students' regular academic program.

Division of Criminal and Juvenile Justice Planning (CJJP) - Provides juvenile justice programming in conformance with the annual Child Welfare, Juvenile Justice and Youth Development Plan to prevent juvenile crime, provide services to juvenile offenders, and otherwise improve Iowa's juvenile justice system.

Child Welfare - Iowa Department of Human Services Decategorization (DCAT) - Decategorization initiative designed to redirect child welfare and juvenile justice funding to services which are more preventative, family centered, and community-based in order to reduce use of more restrictive approaches.

Sky Ranch Behavioral Services - Provides preventative services, delivered by mental health specialists, to juveniles and their families prior to placement in an effort to eliminate the need for out of home placement.

Maternal Infant Early Childhood Home Visitation Program (MIECHV) - Strengthens, improves and expands Title V programs, improves coordination of services for at-risk communities, and identifies and provides services to improve outcomes for families in at-risk communities.

School Ready Program - Iowa Legislature initiative to ensure that children aged 0 to 5 are healthy and ready to learn when they enter kindergarten.

Dakota County Connections - A community collaborative in Dakota County, Nebraska that unites partners from all over the area for the single purpose of improving the quality of life and social-emotional well-being of children and families in the community.

# SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Employer of Record - SHIP has entered into various agreements with different not-for-profit agencies. These agreements add the third-party not-for-profit employees to SHIP's payroll, allowing the third-party not-for profit employees to obtain insurance and benefits through SHIP.

SHIP has entered into various agency agreements with different governmental and not-for-profit agencies. These transactions have been recorded as Agency funds. Agency funds represent assets entrusted to SHIP only for the purpose of receiving, holding and disbursing such funds according to the depositor's intentions.

Iowa Department of Human Services Decategorization (DCAT) - In addition to the Program services discussed above, SHIP also administers DCAT agency funds.

Juvenile Court Services of the Third Judicial District (JCS) - Pursuant to a 28E agreement with Woodbury County, SHIP is responsible for payment of claims submitted and approved by JCS for services and programs rendered by subcontractors. In addition, pursuant to a 28E agreement with JCS, SHIP is responsible for claims submitted by JCS to the State of Iowa.

Early Childhood Iowa (ECI) - An initiative to empower individuals and their communities to achieve desired results to improve the quality of life for children ages birth - 5 years and their families in Ida and Woodbury Counties.

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

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of SHIP and changes therein are classified and reported as follows:

*Without Donor Restrictions*— Net assets that are not subject to grant or donor-imposed stipulations.

*With Donor Restrictions* – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash Equivalents - For purposes of the Statement of Cash Flows, the entity considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

# SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Change in Accounting Principle - On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. During 2019, management implemented ASU 2016-14 and adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Revenue - Contributions received are recorded as increases in with or without donor restricted net assets depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in without donor restricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in with donor restricted net assets, depending on the nature of the restriction. When a restriction expires, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions.

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

Management has concluded that any uncertain tax positions would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the operating statement or accrued in the balance sheet.

Equipment - Equipment acquired by SHIP is considered to be owned by SHIP. Equipment acquired by subcontractors is considered to be owned by the subcontractor or granting agency if required by the grant. Equipment is recorded at cost or if donated, at the estimated fair value at the time of donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. It is the entity's policy to capitalize all equipment acquired with a cost or estimated fair value greater than \$5,000.

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

Functional Allocation of Expenses - The costs of providing the SHIP's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries and employee benefits which are allocated on the basis of estimates of time and effort.

Subsequent events - In preparing the financial statements, the entity has evaluated all subsequent events, for potential recognition or disclosure, through March 13, 2020, the date the financial statements were available to be issued.

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Years Ended June 30, 2019 and 2018

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise the following:

	<u>2019</u>
Cash	\$ 3,171,198
Grants and contracts receivable	914,543
Other receivables	<u>68,757</u>
	<u>\$ 4,154,498</u>

Siouxland Human Investment Partnership board adopted an operating reserve policy during the year ended June 30, 2016. The policy was adopted to build and maintain an adequate level of reserves to support the organization’s day-to-day operations in the event of unforeseen shortfalls. In order to fund the reserve the board transferred carry-over funds earned by the organization from non-grant revenue sources. As of June 30, 2019, there was \$1,037,997 in the operating reserve fund. Additional funds will be transferred by board action as needed.

**NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE**

Grants and contracts receivable are deemed to be fully collectible by management and consisted of the following at June 30, 2019 and 2018:

<u>Funding Source</u>	<u>Description</u>	<u>2019</u>	<u>2018</u>
Iowa Department of Education	21 <sup>st</sup> Century Community Learning	\$ 166,562	\$ 143,964
Nebraska Department of Education	21 <sup>st</sup> Century Community Learning	49,782	44,591
Iowa Department of Human Rights	CJJP/Drug Endangered Grant	4,834	8,659
Iowa Department of Human Services	Decategorization	310,269	335,597
US Department of Labor	OVW	15,666	21,820
Various	Employer of Record	14,419	42,759
Various	BOOST	43,106	25,784
Iowa Department of Public Health	MIECHV	138,123	133,993
Various	Beyond the Bell	94,479	31,324
Various	Sky Ranch	55,359	56,496
Prevent Child Abuse Iowa	Parent Development	5,308	-
Prevent Child Abuse Iowa	SCCAN	-	26,478
Various	Administration	1,318	-
NE Children and Families Foundation	Dakota County Connections	7,542	1,897
IA College Student Aid Commission	College Changes Everything	7,776	25,990
		<u>\$ 914,543</u>	<u>\$ 899,352</u>

No allowance is considered necessary at June 30, 2019.

# SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.

## NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2019 and 2018

### NOTE 4 - REFUNDABLE GRANT ADVANCES

Refundable grant advances represent cash received from funding sources in excess of expenses paid or payable to subrecipients. The balance at June 30, 2019 and 2018 consisted of:

<u>Description</u>	<u>2019</u>	<u>2018</u>
School Ready Program	\$ 126,294	\$ 191,102
Dakota County Connections	322,286	200,899
Other Program Services	33,593	63,367
	<u>\$ 482,173</u>	<u>\$ 455,368</u>

### NOTE 5 - DEFERRED FEE REVENUE

Deferred fee revenue represents fees received that were not spent for corresponding program expenses. The balance at June 30, 2019 and 2018 consisted of:

<u>Description</u>	<u>2019</u>	<u>2018</u>
Beyond the Bell - Summer Program	\$ 90,731	\$ 109,694
Beyond the Bell - Other	93,481	88,806
Other Programs	5,785	5,885
	<u>\$ 189,997</u>	<u>\$ 204,385</u>

### NOTE 6 - RETIREMENT SYSTEM

The entity contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 6.29% of their annual salary and the entity is required to contribute 9.44% of annual payroll. Contribution requirements are established by State statute. The entity's contribution to IPERS for the years ended June 30, 2019 and 2018, were \$227,635 and \$215,308, respectively, and were equal to the required contributions for the year.

### NOTE 7 - CONCENTRATION OF CREDIT RISK

At various times during the year ended June 30, 2019, the entity's cash and cash equivalents balance exceeded the amount insured by the Federal Deposit Insurance Corporation. The entity has exposure on any amount that exceeds this limit, should the financial institution fail. To minimize this exposure, the entity holds repurchase agreements for which the bank pledges government securities as collateral up to a specified dollar amount. The entity also regularly analyzes the strength of the financial institution they use to minimize their risk.

**SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Years Ended June 30, 2019 and 2018

**NOTE 8 - AGENCY FUNDS**

The activity of the Agency Funds for the year ended June 30, 2019 and 2018 is as follows:

	(Receivable) Payable Balance at June 30, 2018	Receipts	Disbursements	(Receivable) Payable Balance at June 30, 2019
DCAT - Clusters	\$ (6,297)	\$ 76,729	\$ (101,063)	\$ (30,631)
Juvenile Court Services (JCS)	(5,662)	128,738	(99,425)	23,651
4 Directions Memorial	(8)	2,137	(1,953)	176
Middle School Athletics	16,088	8,401	(8,391)	16,098
DCAT - Family Assistance	(12,262)	106,809	(99,828)	(5,281)
Siouxland Pride	2,072	3,052	(1,287)	3,837
Woodbury County Veterans Court	830	15	(289)	556
Future Fest West	(3,923)	3,997	(1,750)	(1,676)
Costumes For Kids	-	-	-	-
	<u>\$ (9,162)</u>	<u>\$ 329,878</u>	<u>\$ (313,986)</u>	<u>\$ 6,730</u>

	(Receivable) Payable Balance at June 30, 2017	Receipts	Disbursements	(Receivable) Payable Balance at June 30, 2018
DCAT - Clusters	\$ (42,274)	\$ 156,595	\$ (120,618)	\$ (6,297)
Juvenile Court Services (JCS)	40,267	78,663	(124,592)	(5,662)
4 Directions Memorial	165	550	(723)	(8)
Middle School Athletics	16,397	8,083	(8,392)	16,088
DCAT - Family Assistance	(21,642)	107,664	(98,284)	(12,262)
Siouxland Pride	1,321	1,561	(810)	2,072
Woodbury County Veterans Court	1,100	-	(270)	830
Future Fest West	(1,032)	1,076	(3,967)	(3,923)
Costumes For Kids	-	212	(212)	-
	<u>\$ (5,698)</u>	<u>\$ 354,404</u>	<u>\$ (357,868)</u>	<u>\$ (9,162)</u>

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Years Ended June 30, 2019 and 2018

**NOTE 9 - EARLY CHILDHOOD IOWA AREA BOARD**

Siouxland Human Investment Partnership acts as an Early Childhood Iowa Area Board, an organization formed pursuant to the provisions of Chapter 256I of the Code of Iowa. The Area Board receives state grants to administer early childhood and school ready programs. Financial activity of the Area Board is included in SHIP's statements as a component of the basic financial statements because of SHIP's role as local board operator. The Area Board's financial data for the year ended June 30, 2019 is as follows:

	Early Childhood Fund (State)	School Ready Fund (State)	Total
<b>Revenues</b>			
State of Iowa Grants			
Early Childhood	\$ 266,564	\$ -	\$ 266,564
Family Support, Parent Education, Preschool	-	788,720	788,720
Quality Improvement	-	65,515	65,515
Other Grant Programs	-	-	-
Total State of Iowa Grants	\$ 266,564	\$ 854,235	\$ 1,120,799
Interest	670	2,010	2,680
Total Revenues	\$ 267,234	\$ 856,245	\$ 1,123,479
<b>Expenditures</b>			
Program Services			
Early Childhood	\$ 269,790	\$ -	\$ 269,790
Family Support, Parent Education, Preschool	-	814,027	814,027
Quality Improvement	-	65,515	65,515
Other Grant Programs	-	-	-
Total Program Services	\$ 269,790	\$ 879,542	\$ 1,149,332
Administration	13,328	25,627	38,955
Total Expenditures	\$ 283,118	\$ 905,169	\$ 1,188,287
Net Change	\$ (15,884)	\$ (48,924)	\$ (64,808)
Balances - Beginning of Year	52,795	138,307	191,102
Balances - End of Year	\$ 36,911	\$ 89,383	\$ 126,294

No findings related to the operations of the Early Childhood Iowa Area Board were noted. The information shown above agrees to the annual report submitted by the Early Childhood Iowa Area Board to the State of Iowa for June 30, 2019. Total revenues and expenditures do not agree with SHIP's records because a different basis of accounting is used. Early childhood and school ready programs report refundable advances totaling \$126,294 as of June 30, 2019. See Note 4 for additional information on refundable advances.



**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**

Years Ended June 30, 2019 and 2018

**NOTE 9 - EARLY CHILDHOOD IOWA AREA BOARD (CONT.)**

The Area Board's financial data for the years ended June 30, 2018 is as follows:

	Early Childhood Fund (State)	School Ready Fund (State)	Total
Revenues			
State of Iowa Grants			
Early Childhood	\$ 269,142	\$ -	\$ 269,142
Family Support, Parent Education, Preschool	-	825,140	825,140
Quality Improvement	-	65,360	65,360
Other Grant Programs	-	-	-
Total State of Iowa Grants	<u>\$ 269,142</u>	<u>\$ 890,500</u>	<u>\$ 1,159,642</u>
Interest	383	1,098	1,481
Total Revenues	<u>\$ 269,525</u>	<u>\$ 891,598</u>	<u>\$ 1,161,123</u>
Expenditures			
Program Services			
Early Childhood	\$ 242,766	\$ -	\$ 242,766
Family Support, Parent Education, Preschool	-	773,746	773,746
Quality Improvement	-	65,360	65,360
Other Grant Programs	-	-	-
Total Program Services	<u>\$ 242,766</u>	<u>\$ 839,106</u>	<u>\$ 1,081,872</u>
Administrantion	13,457	26,715	40,172
Total Expenditures	<u>\$ 256,223</u>	<u>\$ 865,821</u>	<u>\$ 1,122,044</u>
Net Change	\$ 13,302	\$ 25,777	\$ 39,079
Balances - Beginning of Year	<u>39,493</u>	<u>112,530</u>	<u>152,023</u>
Balances - End of Year	<u><u>\$ 52,795</u></u>	<u><u>\$ 138,307</u></u>	<u><u>\$ 191,102</u></u>

No findings related to the operations of the Early Childhood Iowa Area Board were noted. The information shown above agrees to the annual report submitted by the Early Childhood Iowa Area Board to the State of Iowa for June 30, 2018. Total revenues and expenditures do not agree with SHIP's records because a different basis of accounting is used. Early childhood and school ready programs report refundable advances totaling \$191,102 as of June 30, 2018. See Note 5 for additional information on refundable advances.

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS**

Year Ended June 30, 2019

	BOOST	Beyond the Bell	Beyond the Bell (Additional Funds)	Beyond the Bell (Scholarships)	Beyond the Bell (South Sioux City)	BTB 21st Century Middle School	BTB 21st Century (Irving, Leeds)	BTB 21st Century (Liberty)	CJJP
<b>Revenues</b>									
Contributions:									
Federal Grants	\$ 358,081	\$ -	\$ -	\$ -	\$ 196,222	\$ 206,625	\$ 205,316	\$ 131,400	\$ 44,204
State Grants	-	-	-	-	-	-	-	-	-
Cash Donations	-	32,316	-	26,808	-	-	-	-	-
Contract and Service Fees	-	1,613,201	164,512	562	-	-	-	-	-
Deferred Revenue	19,713	-	10,532	(14,464)	1,545	-	-	-	-
Administration Fees	-	-	-	-	-	-	-	-	-
Interest Income	-	4,071	-	372	-	-	-	-	-
<b>Total Revenues</b>	<b>377,794</b>	<b>1,649,588</b>	<b>175,044</b>	<b>13,278</b>	<b>197,767</b>	<b>206,625</b>	<b>205,316</b>	<b>131,400</b>	<b>44,204</b>
<b>Expenses</b>									
Administration	28,146	612	2,389	143	15,735	10,330	10,266	6,540	4,611
Bad Debt	-	-	-	-	-	-	-	-	-
Contracted Services	76,388	6,726	-	-	-	-	-	-	-
Equipment	-	478	-	-	-	-	-	-	-
Facilities and Operations	-	33,742	-	-	-	-	-	-	-
Supplies	-	35,050	-	-	9,817	15,415	13,050	1,384	-
General Expenses	15,083	42,480	20,068	13,135	6,245	2,684	9,435	1,680	-
Awards to Subrecipients	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Salaries and Benefits	226,773	1,231,880	152,587	-	130,372	161,667	149,696	110,939	36,761
Scholarships	-	-	-	-	-	-	-	-	-
Training and Tuition	-	-	-	-	-	-	-	-	1,142
Travel	6,530	34,606	-	-	33,935	8,265	12,603	4,317	1,690
Depreciation	-	2,220	-	-	-	-	-	-	-
Miscellaneous	24,874	9,596	-	-	1,663	8,264	10,266	6,540	-
<b>Total Expenses</b>	<b>377,794</b>	<b>1,397,390</b>	<b>175,044</b>	<b>13,278</b>	<b>197,767</b>	<b>206,625</b>	<b>205,316</b>	<b>131,400</b>	<b>44,204</b>
<b>Increase in Net Assets</b>	<b>-</b>	<b>252,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS**

Year Ended June 30, 2019

	Child Welfare DCAT	Sky Ranch Behavioral Services	MIECHV	OVW Justice for Families	SCCAN	Early Childhood Iowa	Plymouth County ICAPP	College Changes Everything	Dakota County Connections
<b>Revenues</b>									
Contributions:									
Federal Grants	\$ 9,398	\$ -	\$ 616,489	\$ 147,366	\$ -	\$ -	\$ 11,607	\$ -	\$ -
State Grants	914,504	60,000	12,303	-	-	1,120,799	-	64,204	-
Cash Donations	-	42,912	-	-	-	-	-	20,794	410,712
Contract and Service Fees	-	251,193	-	-	-	-	-	-	-
Deferred Revenue	9,100	4,618	(10,230)	-	919	64,808	-	(1,054)	(120,490)
Administration Fees	-	-	-	-	-	1,807	-	-	(896)
Interest Income	-	-	-	-	-	2,680	-	-	-
<b>Total Revenues</b>	<b>933,002</b>	<b>358,723</b>	<b>618,562</b>	<b>147,366</b>	<b>919</b>	<b>1,190,094</b>	<b>11,607</b>	<b>83,944</b>	<b>289,326</b>
<b>Expenses</b>									
Administration	111,120	6,250	8,741	3,391	-	45,180	979	4,760	18,435
Bad Debt	-	-	-	-	-	-	-	-	-
Contracted Services	240,888	59,659	-	-	-	1,296	-	-	25,729
Equipment	-	-	-	-	-	-	-	-	-
Facilities and Operations	-	13,272	-	-	-	-	-	-	1,415
Supplies	128	-	-	399	-	-	-	-	34,225
General Expenses	69,765	16,318	20,465	109	919	8,930	1,672	4,011	95,301
Awards to Subrecipients	-	-	569,701	135,879	-	1,068,334	-	-	-
Insurance	-	-	-	-	-	-	-	-	-
Salaries and Benefits	483,998	248,526	26,729	6,938	-	63,187	7,122	54,462	77,872
Scholarships	-	-	-	-	-	-	-	-	-
Training and Tuition	7,881	337	-	650	-	-	-	-	5,747
Travel	7,761	13,361	12	-	-	1,360	1,684	3,086	2,563
Depreciation	-	-	-	-	-	-	-	-	-
Miscellaneous	11,461	1,000	664	-	-	1,807	150	17,625	28,935
<b>Total Expenses</b>	<b>933,002</b>	<b>358,723</b>	<b>626,312</b>	<b>147,366</b>	<b>919</b>	<b>1,190,094</b>	<b>11,607</b>	<b>83,944</b>	<b>290,222</b>
<b>Increase in Net Assets</b>	<b>-</b>	<b>-</b>	<b>(7,750)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(896)</b>

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS**  
Year Ended June 30, 2019

	Other Grants	Employer of Record	Total Program	Administration	Total	Eliminations	Total
<b>Revenues</b>							
Contributions:							
Federal Grants	\$ -	\$ -	\$ 1,926,708	\$ -	\$ 1,926,708	\$ -	\$ 1,926,708
State Grants	-	-	2,171,810	-	2,171,810	(60,000)	2,111,810
Cash Donations	43,073	-	576,615	-	576,615	-	576,615
Contract and Service F	-	165,731	2,195,199	14,841	2,210,040	-	2,210,040
Deferred Revenue	(3,331)	100	(38,234)	-	(38,234)	-	(38,234)
Administration Fees	-	-	911	407,144	408,055	(393,175)	14,880
Interest Income	<u>915</u>	<u>-</u>	<u>8,038</u>	<u>19,948</u>	<u>27,986</u>	<u>-</u>	<u>27,986</u>
<b>Total Revenues</b>	<b>40,657</b>	<b>165,831</b>	<b>6,841,047</b>	<b>441,933</b>	<b>7,282,980</b>	<b>(453,175)</b>	<b>6,829,805</b>
<b>Expenses</b>							
Administration	508	8,193	286,329	-	286,329	(286,247)	82
Bad Debt	-	-	-	-	-	-	-
Contracted Services	10,450	-	421,136	11,400	432,536	(58,891)	373,645
Equipment	-	-	478	-	478	-	478
Facilities and Operati	-	-	48,429	-	48,429	-	48,429
Supplies	-	-	109,468	-	109,468	-	109,468
General Expenses	29,699	(2,411)	355,588	75,400	430,988	(1,109)	429,879
Awards to Subrecipien	-	-	1,773,914	-	1,773,914	-	1,773,914
Insurance	-	-	-	-	-	-	-
Salaries and Benefits	-	163,395	3,332,904	277,520	3,610,424	(106,928)	3,503,496
Scholarships	-	-	-	-	-	-	-
Training and Tuition	-	-	15,757	7,462	23,219	-	23,219
Travel	-	-	131,773	3,492	135,265	-	135,265
Depreciation	-	-	2,220	-	2,220	-	2,220
Miscellaneous	<u>-</u>	<u>-</u>	<u>122,845</u>	<u>60</u>	<u>122,905</u>	<u>-</u>	<u>122,905</u>
<b>Total Expenses</b>	<b>40,657</b>	<b>169,177</b>	<b>6,600,841</b>	<b>375,334</b>	<b>6,976,175</b>	<b>(453,175)</b>	<b>6,523,000</b>
<b>Increase in Net Asset</b>	<b><u>-</u></b>	<b><u>(3,346)</u></b>	<b><u>240,206</u></b>	<b><u>66,599</u></b>	<b><u>306,805</u></b>	<b><u>-</u></b>	<b><u>306,805</u></b>

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF CHANGES IN AGENCY FUNDS (ACCRUAL BASIS)**

Year Ended June 30, 2019

	4 Directions Grants	DCAT Family Assistance	JCS	Middle School Athletics	DCAT Clusters	Siouxland Pride Alliance	Siouxland Pride Donations	Woodbury County Veterans	Future Fest West	Total Agency
<b>Additions</b>										
Revenues	\$ 2,100	\$ 100,863	\$ 82,593	\$ 7,992	\$ 106,385	-	2,992	100	1,676	\$ 304,701
Interest Income	<u>37</u>	<u>372</u>	<u>744</u>	<u>409</u>	<u>149</u>	<u>-</u>	<u>60</u>	<u>15</u>	<u>-</u>	<u>1,786</u>
<b>Total Additions</b>	2,137	101,235	83,337	8,401	106,534	-	3,052	115	1,676	306,487
<b>Deductions</b>										
Administration	-	4,753	3,510	400	5,194	-	165	-	80	14,102
Contracted Services	600	-	-	7,992	382	-	-	-	-	8,974
Facilities and Operati	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
General Expenses	1,346	95,521	30,878	-	93,641	312	811	289	1,596	224,394
Awards to Subrecipie	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-
Salaries and Benefits	-	-	62,933	-	2,763	-	-	-	-	65,696
Scholarships	-	-	-	-	-	-	-	-	-	-
Training and Tuition	-	-	-	-	-	-	-	-	-	-
Travel	8	-	3,341	-	5,887	-	-	-	-	9,236
Depreciation	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
<b>Total Deductions</b>	<u>1,954</u>	<u>100,274</u>	<u>100,662</u>	<u>8,392</u>	<u>107,867</u>	<u>312</u>	<u>976</u>	<u>289</u>	<u>1,676</u>	<u>322,402</u>
<b>Net</b>	<u>\$ 183</u>	<u>\$ 961</u>	<u>\$ (17,325)</u>	<u>\$ 9</u>	<u>\$ (1,333)</u>	<u>\$ (312)</u>	<u>\$ 2,076</u>	<u>\$ (174)</u>	<u>\$ -</u>	<u>\$ (15,915)</u>

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF FUNDS RECEIVED AND DISBURSED**

Year Ended June 30, 2019

	Total Grants and Administration	Total Agency	Eliminations	Total
<b>Additions</b>				
Revenues	\$ 6,801,819	\$ 304,701	\$ -	\$ 7,106,520
Interest Income	<u>27,986</u>	<u>1,786</u>	<u>-</u>	<u>29,772</u>
<b>Total Additions</b>	6,829,805	306,487	-	7,136,292
<b>Deductions</b>				
Administration	82	14,102	-	14,184
Contracted Services	373,645	8,974	-	382,619
Equipment	478	-	-	478
Facilities and Operations	48,429	-	-	48,429
Supplies	109,468	-	-	109,468
General Expenses	429,879	224,394	-	654,273
Awards to Subrecipients	1,773,914	-	-	1,773,914
Salaries and Benefits	3,503,496	65,696	-	3,569,192
Training and Tuition	23,219	-	-	23,219
Travel	135,265	9,236	-	144,501
Depreciation	2,220	-	-	2,220
Miscellaneous	<u>122,905</u>	<u>-</u>	<u>-</u>	<u>122,905</u>
<b>Total Deductions</b>	<u>6,523,000</u>	<u>322,402</u>	<u>-</u>	<u>6,845,402</u>
<b>Net</b>	<u>\$ 306,805</u>	<u>\$ (15,915)</u>	<u>\$ -</u>	<u>\$ 290,890</u>

**NOTE 1 - DCAT RECORDKEEPING**

SHIP administers funds in compliance with allocations from the grantor. SHIP sub-contracts for programs and services, audits requests for payment from sub-contractors, and submits reimbursement requests to the grantor. The grantor pays the sub-contractor per the reimbursement request.

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2019

<u>Grant/Program</u>	<u>CFDA Number</u>	<u>Pass-Through Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
<b>Direct:</b>				
U.S. Department of Labor - Employment and Training Administration:				
Reentry Employment Opportunities	17.270	YF-27294-15-60-A-19	\$ -	\$ 118,129
Reentry Employment Opportunities	17.270	YF-32161-19-60-A-19	-	239,952
			-	358,081
U.S. Department of Justice				
Justice Systems Response to Families	16.021	2017-FJ-AX-0010	135,879	147,366
<b>Total Direct</b>			\$ 135,879	\$ 505,447
<b>Indirect:</b>				
U.S. Department of Justice:				
Indirect Through Iowa Department of Human Rights:				
Woodbury County Decategorization Board				
Second Chance Act Reentry Initiative	16.812	03-JD16-17F	\$ -	\$ 10,619
Juvenile Justice and Delinquency Prevention	16.540	03-JD17-18F	-	33,585
			-	\$ 44,204
U.S. Department of Education:				
Indirect Through Iowa Department of Education:				
Twenty-First Century Community Learning Centers	84.287	C9-SHIP	\$ -	\$ 206,625
Twenty-First Century Community Learning Centers	84.287	C10-SHIP	-	205,316
Twenty-First Century Community Learning Centers	84.287	C11-SHIP	-	131,400
			-	543,341
Indirect Through Nebraska Department of Education:				
Twenty-First Century Community Learning Centers	84.287	19-6968-A0-85-096-2201	-	196,222
			\$ -	\$ 739,563

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2019

<u>Grant/Program</u>	<u>CFDA Number</u>	<u>Pass-Through Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services:				
Indirect Through Iowa Department of Human Services:				
Promoting Safe and Stable Families	93.556	18-032	\$ -	9,398
Indirect Through Iowa Child Abuse Prevention Program (ICAPP) Parent Development Services				
Promoting Safe and Stable Families	93.556	ACFS 19-088	8,102	8,903
TANF Cluster:				
Temporary Assistance for Needy Families	93.558	ACFS 19-088	1,385	1,522
Child Abuse and Neglect State Grants	93.669	ACFS 19-088	56	61
			<u>\$ 9,543</u>	<u>\$ 10,486</u>
Indirect Through Iowa Department of Public Health:				
MIECHV Cluster:				
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	5889CH12	\$ 559,951	\$ 559,951
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	5888CH12	-	56,537
Total MIECHV Cluster:			<u>\$ 559,951</u>	<u>\$ 616,488</u>
<b>Total Indirect</b>			<u>\$ 569,494</u>	<u>\$ 1,420,139</u>
<b>Total</b>			<u>\$ 705,373</u>	<u>\$ 1,925,586</u>



**SIouxLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2019

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal grant activity of Siouxland Human Investment Partnership, Inc. under programs of federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operation of Siouxland Human Investment Partnership, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Siouxland Human Investment Partnership, Inc.

**NOTE 2 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

Certain of Siouxland Human Investment Partnerships, Inc.'s federal awards programs have been charged with indirect costs. SHIP has elected to use the 10 percent de minimis indirect cost rate allowed under the *Uniform Guidance* applied to overall expenditures.

**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"**

To the Board of Directors  
Siouxland Human Investment Partnership, Inc.

We have audited, in accordance with the 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, the financial statements of Siouxland Human Investment Partnership, Inc. (SHIP) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SHIP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SHIP's internal control. Accordingly, we do not express an opinion on the effectiveness of Siouxland Human Investment Partnership Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Siouxland Human Investment Partnership Inc.'s financial statements are free from 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.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hamilton Associates, P.C.*

Council Bluffs, Iowa  
March 13, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Siouxland Human Investment Partnership, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Siouxland Human Investment Partnership, Inc.'s (SHIP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of SHIP's major federal programs for the year ended June 30, 2019. SHIP's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Siouxland Human Investment Partnership Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 SHIP'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 on compliance for each major federal program. However, our audit does not provide a legal determination of SHIP's compliance.

**Opinion on Each Major Federal Program**

In our opinion Siouxland Human Investment Partnership Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

Management of Siouxland Human Investment Partnership, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SHIP's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 SHIP's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Hamilton Associates, P.C.*

Council Bluffs, Iowa  
March 13, 2020

**SIOUXLAND HUMAN INVESTMENT PARTNERSHIP, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2019

**I. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Program</u>	<u>CFDA No.(s)</u>	<u>Expenditures</u>
Reentry Employment Opportunities	17.270	\$ 358,081
Maternal, Infant and Early Childhood Home Visiting Grant Program	93.870	\$ 616,488

Dollar threshold used to distinguish between type A and type B programs      \$ 750,000

Auditee qualified as a low-risk auditee?      No

**II. FINANCIAL STATEMENT FINDINGS**

None noted

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None noted

**IV. SCHEDULE OF PRIOR AUDIT FINDINGS**

None noted